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Albania: Parties Respond to VOA Report

AU1504185896 Tirana DREJT in Albanian 14 Apr 96 pp 3, 9

[Editorial, including statements by representatives of the Socialist Party, Republican Party, Social Democratic Party, and the Democratic Alliance: "The Parties Judge Elez Biberaj"]

[FBIS Translated Text] Elez Biberaj did not speak into the microphone this time, although the subject was again Albania, or, more accurately, its political parties. Three months before his compatriots were to go to the polls, the head of VOA's Albanian section tried to make an investment in the ruling party. The report Biberaj made to the U.S. Congress and his comments on the Albanian political scene are more than extraordinary. Biberaj confuses the center with the left, talks about conservatives and moderates, casts an eye over the president and his party, and finally reaches a magical conclusion: The West has only one alternative in the little Balkan country. One week after our paper published extracts from Mr. Biberaj's report, we carry the replies, or rather the ripostes of politicians.

Namik Dokle (Socialist Party)

[Dokle] It is understandable that the analyst Biberaj should wish to look at the Democratic Party [PD] from the same position as he has always done. However, if he were to embark on a serious analysis, there is plenty of data to show that matters have changed greatly. The PD has moved from aspiration to opportunism, and from opportunism to the outrage of opportunity by the horsemen of the party. It is no sin if Biberaj has failed to grasp this. Disinformation is now the PD's final means of keeping facts from those whom it is trampling underfoot. The PD does not even spare its own friends when it starts on disinformation. However, if Mr. Biberaj has indeed grasped this and has set out to remove the bitter aftertaste left by the U.S. State Department's report in the mouth of the PD, it is not possible to debate this issue with Mr. Biberaj at a distance, especially when, at the hearing of his report, he also, as far as my knowledge goes, made some interesting recommendations, which I, for the moment, would prefer to keep confidential.

As far as the Socialist Party [PS] is concerned, I hold to the idea that Mr. Biberaj has not been able to acquaint himself with the very interesting and striking developments that have taken place within it up to the present, when it is on the threshold of power. In making an erroneous analysis, Mr. Biberaj also steps out of the framework of analysis and falls into the arms of political passion, which weakens his reasoning. For instance, he does not wish to recognize the essential reform of the PS and rejects it in blinkered fashion as rhetoric.

As far as we are concerned, respect for the values of Western, European, and U.S. democracy is not at all rhetorical. I am sure that the U.S. political scales are very sensitive and among the most accurate. They cannot be skewed by the reports of a few PD-ites who write up hill and down dale against the PS, especially because developments within and around the PS, the imprisonment of the chairman of the most powerful and coherent opposition, and its structure, organization, and alternative program have been of continual interest to U.S. political circles. We have understood and even appreciated the objections raised to the PS's program and its continual reform. Because they have, on the whole, matched our own official assessments and commitments, we have realistically understood and welcomed them. Even though the pace of the political process within the PS and in Albania has been and remains brutally handicapped by the continued detention of Fatos Nano as a hostage in Bence prison, the PS has been able to look further ahead, beyond a single legislature. Its democratic vision has clarified, and we have accepted the challenges of reality.

The PS's commitment to deepening Albania's European and Atlantic integration and the dynamic continuity of relations of all kinds with the United States are pragmatic and cannot be threatened by the PD's provocations about anti-Americanism or the unrealistic propaganda of microphones that have been put into the hands of a few nonentities in Albania.

As for the other problems relating to the PS that Mr. Biberaj raises, at best they arise out of ignorance of our program, which has as its essence free initiative and social solidarity. This implies not state control over the laws and conduct of the market economy, but control over the corrupt administration, control over the theft of national assets and foreign loans, and control over crime and smuggling. It further involves the care of the state for social groups that are excluded from active economic life. A state must do at least this much, if it is to be a state and not a gaggle of tribal chieftains.

It remains for us to see if all these things are incredible, as Mr. Biberaj puts it. The date of 26 May is a chance to put the Socialists to the test. We will not disappoint those who genuinely love democracy, because all socialists are democrats, even though not all democrats can be socialists.

In conclusion, I would like to reassure Mr. Biberaj about his forecast that it will be very difficult for a Democratic president to cohabitate with a Socialist-controlled parliament. I do not think this is the case,

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especially because both we and Mr. Berisha are former communists and will understand each other in our democratic home. The democratic code is not anybody's monopoly, but everybody's right.

Sabri Godo (Republican Party)

[Godo] Mr. Biberaj, who is a respected person, has the right to his opinion, but I think it is somewhat excessive to give categorical judgments about parties without living in Albania. A party is more subject to the views of the electorate than those of an individual. It is not right, for example, to say that the Republican Party [PR] has been under the shadow of the Albanian Worker's Party. It is true that over the property issue the PR has moved from the left to the right, but the times made this necessary. In 1991, it was dangerous to talk about property, but we clearly defined our position on property, as the basis of economic development, at our First Congress in 1992.

There have been no fractions in the PR. At the First Congress, some people raised problems that were more personal than programmatic, and the congress isolated them. These people resigned as long ago as 1992, and since then the PR has been one of the most stable parties in Albania. Today, it is a political force with free internal debate and is, for this reason, acceptable to all Republicans.

Paskal Milo (Social Democratic Party)

[Milo] Biberaj spoke in the language of Berisha. This is no bad thing if you think that the Albanian president needs local loyalty in this election campaign. However, it is highly regrettable that the United States has not, even in half a century, been able to civilize Biberaj and to smooth away at least to some extent his rough edges of spite and commonplace vindictiveness, teaching him not to lie and deceive so openly in the U.S. legislative temple.

Biberaj is the employee of an agency that transmits the official standpoints of the U.S. Government. If this salaried servant of the United States were expressing his views in the Dejti Hotel, as he has done many times, it would not be worth delivering even this reply to him. However, from the moment when Biberaj displayed these views in front of the U.S. Congress, we have the right to ask him whether these opinions represent the standpoint of official U.S. policy. Who represents this state, Biberaj or the State Department, whose most recent report we believe that Berisha's personal friend will have read?

It is everybody's right to choose his own friends and to remain loyal to them during difficult days. It even shows strength of character. However, the moment when the faults and old and new sins of your friend require you to act at the expense of others, one may rightly doubt a person's honesty, the very essence of his humanity. Albania must not again be turned into a personal estate. Biberaj has been well aware of the consequences of such a situation. Albania will not come to an end if Berisha's power comes to an end. The era of idols came to an end on 20 February 1991 [date of overthrow of Enver Hoxha's statue in Tirana] and we want to think that nobody wants to revive it.

Perhaps Biberaj will realize that he has made a mistake. We are here, waiting.

Perikli Teta (Democratic Alliance)

[Teta] I do not think that parties should enter very deeply into what Mr. Biberaj says. It is clear from his report that he knows Albanian politics as well as he knows the Albanian language. I have nothing else to say.

Albania: Prime Minister Speaks to Democratic Party Assembly

AU1004082596 Tirana RILINDJA DEMOKRATIKE in Albanian 5 Apr 96 pp 5-6

[Speech by Prime Minister Alexander Meksi to the Third Democratic Party National Assembly in Tirana on 4 April: The Democratic Party's Victory Is Decisive for the Fate of Democracy]

[FBIS Translated Text] This Democratic Party [PD] Assembly has gathered to take stock of our four years in government and to project the future of Albanian democracy to finally ensure its irreversibility and to further consolidate the democratic changes.

All we PD members must pride ourselves on the results we have achieved during these four years, all the more so when we recall the state of total emergency in which we began, with a state and legislative structure adapted to a dictatorship of the proletariat and our national economy in a state of collapse. The implementation of the PD's program has led to historic transformations in every field, legal, political, economic, and social. Accomplishing these transformations has been a historic duty for this government and no future democratic government that will ever again need to uproot the basic structures of society and the economy, but only provide policies to correct and restructure certain aspects of them. By carrying out its program, the PD ensured Albania four years of political stability, four years of stable government.

The reform of the legal framework, the creation of a democratic and law-governed state, and the protection

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of the legitimate rights and interests of the individual were among the great achievements of this four-year period. We carried out a total overhaul of the old structures of the state and its institutions and of property relations, and achieved their legal regulation. This involved redrafting several hundred laws and codes, which were then subjected to continual improvement in accordance with the pace of the reform and the experience we acquired. We created a new administration on the basis of new practices and democratic laws and bylaws. No field of social, economic, or political activity has been left untouched by new laws. We will continue in this work in the future, always with foreign assistance based on the most advanced experience of the West to delineate in full a state of justice and a market economy.

However, much remains to be done to apply the laws and other acts of the state to eliminate shortcoming and weaknesses that have been noticed. This must be an imperative for the next legislature, and these things must be avoided in the future. The transformation of a centralized economy into a market economy has been called an economic reform by all the countries of the East, but for Albania it has represented a process of radical change, and a total upheaval in every sense. The aims of the economic reform have been to create the structures and categories of a market economy, i.e. a new economic and social system. One of the most basic characteristics of the market economy, which is also a condition for the rational exploitation of the country's resources, is the institution of property, which has also been the main focus of the economic reform. New legislation has used property restitution and compensation as the means of carrying out privatization and recognizing property.

During the emergency, it was of decisive importance to establish public order. The results were evident immediately and, despite the usual criticisms, the work of the police and their performance must be considered good, and to have contributed to reviving economic life.

In 1992, Albania was suffering the total and absolute bankruptcy of the socialist system and was undergoing a deep and hopeless economic crisis. It was the PD that courageously undertook the economic reform to bring an end to the crisis and to economic decline, through the process of liberalizing the economy. We were aware that this would lead to a further destabilization of economic indicators, and therefore called for no small economic and social sacrifices. However, the Albanians had in a free ballot voted for and supported the reform and the PD government. The methods chosen to accomplish these economic and social transformations, in coordination with such expert financial institutions as the IMF, made it possible both to stimulate supply by liberalizing the economy and at the same time to damp down as far as possible increased demand, while keeping in the fore of our attention the need to alleviate the social consequences.

The graduated steps taken by the PD government in the four years of reform in Albania were necessary and unavoidable and were determined by the situation we inherited from the socialist economic system. The closed economic system left Albania the heir to a production structure built according to ideological criteria, heedless of all economic criteria governing the use of domestic resources, and without any of the connections to the world economy as a whole that a small country like Albania needs so much.

The results we have achieved and the help we have won are a natural consequence of the democratic and West European orientation of the PD. Our foreign policy and our opening to the world in the last four years have been extremely successful, in diametric opposition to the experience of the previous 50 years, which isolated Albania entirely from the civilized world.

The economic system at the start of 1992 was faced with total collapse. The GDP had been declining fast since 1989, which obliged the government to include in its program measures to halt the economic decline and to solve the emergency in food supplies by the middle of 1993. Alongside these immediate objectives, the economic reform program envisaged a package of measures to turn a centralized economy into a market economy.

The objectives determined in cooperation with the IMF in the ESAF [Enhanced Structural Adjustment Facility] program (program of macroeconomic structural changes) envisaged by 1995:

—Annual economic growth of not less than 4 to 5 percent;

—The reduction of inflation to below 15 percent by the end of 1996;

—Improvements in foreign economic relations, including a settlement of the foreign debt inherited from the communist regime.

The reform program envisaged that these objectives would be achieved by means of savings at home, structural reform, free initiative, a decline in welfare spending, and foreign financial aid.

Now, after four years, when we look back at the long and difficult road that we have traversed, we can see that Albania looks much more powerful in its macroeconomic performance, the growth rates of

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its production, its inflation level, and the size of its budget deficit. In the years 1993-95, the real growth rate of our GDP was fast in comparison with the other Eastern countries in transition. This was the aim of the Democratic government in its economic reform: a fast growth in production by encouraging private initiative and reactivating the state economy with the help of fast privatization on one hand, and on the other a control of inflation with the aim of alleviating the social consequences created by a total reform of the economy and the fast development of the private sector. This has meant that the main factor in the growth of the Albanian economy has not been the remittances of emigrants, but the dynamism of the domestic economy.

In the very first year of the government's work, the emergency was overcome and there were tangible results in the developmental tendencies of the economy. The decline was halted, and the GDP rose by 10.4 percent in the second year of the government's work. This growth rate was sustained in other years and reached 11.3 percent in 1995. It was precisely this policy of high growth that allowed us to cushion the effects of the restructuring of the economy, as is shown by one of the economy's most significant indicators—the significant decline in unemployment to 10.7 percent of the active work force today.

The GNP increased especially fast thanks to a growth in domestic supply in the wake of the policy of liberalizing prices. The gradual removal of price controls began in 1991 and was broadly completed in the middle of 1992. This led to an increase in the consumer price index from 104 in 1991 to 237 in 1992. Despite continuing changes in those prices that remained controlled, inflation stabilized within its annual targets, and reached six percent in 1995. The factors that led to this stability were the encouragement of supply and the remittances from abroad that covered demand, discipline in the issue of money, the establishment of strict limits in budget financing and the subsidy of public enterprises, a restrained wages policy in the public sector, the encouragement of small businesses with the help of fiscal instruments that used a generous taxation policy and an efficient administrative procedure, the privatization of agricultural land that created a broad basis for production, the fast privatization of construction and transportation, a stable exchange rate of the lek with foreign currencies, and financial discipline and careful administration in the use of foreign aid.

The growth in domestic investment and our monetary policy pursued so far have had a tangible effect in encouraging the growth of the GDP and the rate of the reform. Domestic investment resumed in 1993, grew in 1994, and has been estimated to have been 20-22 percent of the GDP in 1995. The growing savings of the population have played a great role here. The monetary policy was a basic support for the reform program, combined with a new way of obtaining financing for the budget. Drafting a medium-term strategy of fiscal policy made a contribution here and led to a considerable increase in tax revenues. It must nevertheless be said that this increase was not of the size anticipated because of the poor work of certain departments and the delays in modernizing the revenue service. The lack of a banking sector with a private component must also be considered an obstacle to the development of new economic relations.

The year 1995 made a reality of the opportunity to develop a modern and democratic socioeconomic structure, in which private property, civil freedom, and business competition will dominate, while the social dimension will not be excluded. It is very important for development to take place on stable foundations. The Albanian economy and industry in particular must equip itself to adapt quickly to an advanced and European political, economic, and cultural climate.

Measures for pursuing and consolidating the economic reform through the restructuring of the economy have been and will remain the aims of government policy.

These measures will aim at:

—Completing privatization by the end of the century;

—Solving problems of property rights to make property sacred;

—Improving the legal framework to reflect and anticipate socioeconomic developments;

—Creating conditions for the operation of the financial and labor markets;

—Improving state management at all levels, by harmonizing central and local government.

On the basis of the results already reached, the government will carry out its medium-term program with the aim of ensuring smooth development and consolidating this stability. One objective we must bear in mind is the pursuit of a policy that will aim at macroeconomic stability in the framework of a market economy, in which markets and categories of trade will have become defined. We still lack automatic regulators of the market.

In the medium term the program's objectives will be:

—Maintaining high growth rates in the GDP and industry in particular;

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—Increasing employment through increased production, privatization, public investment, and policies to encourage employment. Only by increasing the level of employment can we create conditions to reduce unemployment, and to secure work for the young and those who will come from the countryside to the towns.

—Stabilizing prices by keeping inflation under control and supporting primary investment with credit policy;

—Stabilizing the balance of foreign trade by improving trade and accounting;

—A two-pronged policy on revenue and expenditure will aim to reduce the budget deficit as a proportion of the GNP. Domestic financing of the deficit will fall to 4.5 percent of the GNP by the year 2000.

—Reducing subsidies for social security to create conditions for private institutions;

—Public investments, especially in the infrastructure, to create conditions for the stable development of the economy;

—The further development of the educational system, aiming to achieve high standards of quality to meet the demands of a modernized social and economic life and to improve employment prospects for the young;

—Continuing work to create a health service with high standards and acceptable quality of service, as near as possible to European levels. However, the economic model of the health service must also be improved, with the aim of encouraging self-financing and lower costs to the state budget;

To achieve the goals of the program it will be important:

—To harmonize fiscal with monetary and exchange policies and to introduced a relatively expansionist but moderate fiscal policy, accompanied by an accommodating monetary policy and relatively limited interventions in the currency market;

—To introduce microeconomic stimuli and duty and tax incentives to increase competition, to restrict monopolies and price differentials, and to encourage foreign investments, etc.

The priorities of the government's economic policies will include:

1. support and encouragement for the development of the infrastructure, tourism, agriculture, and agriculture-related industry;

2. incentives for stockraising;

3. encouragement for small-scale and medium-scale production, with special incentives for light industry and food processing.

These goals will be achieved by relying on the following resources:

(i) increasing the mobility of private savings;

(ii) improving the structure of budget expenditure, emphasizing investment;

(iii) the financial market and new institutions;

(iv) the attraction of foreign investment and direct private investment;

(v) foreign financial support.

Under the central planning of the former regime, Albania had a high level of public investment as a proportion of GNP, because of the nature and purposes of a centralized socialist society. However, these investments were directed principally at defense, the development of large industrial complexes, and in support of the idea that everything had to be produced within the country, which led to the creation of a totally ideological multibranched industry, though rarely of a size or with a technology that could compete on international markets. Financing for such sectors as transportation (especially by road, air, and sea) was minimal and much lower even than that in other East European countries. This was because the economy was geared to meeting minimal individual needs. We therefore essentially inherited an economic infrastructure that was inappropriate to serve a market economy, but was adapted to serve an industry with a closed cycle, something quite unreasonable for a market the size of Albania's.

Besides this, there was a drastic fall in the level of investments during the years 1990-92 as a result of the economic and political collapse of the regime, besides the mass destruction of state assets and of certain parts of the infrastructure. Investments fell from 26 percent of GDP in 1989 to 4 percent in 1992.

As a result, Albania was in 1992 faced with the problem of developing a market economy with a totally inappropriate and considerably damaged economic infrastructure created according to a model of a centralized economy and minimal individual consumption. Besides the need for reconstruction, there was also an urgent need for massive restructuring and intervention to permit increased personal consumption, the introduction of new services, and the development of a market economy.

If we were to look in detail at the different problems, we would mention every branch of the economic infrastructure that we inherited, starting from the narrow roads planned only for the movement of official cars but not for the hundreds of thousands of cars of ordinary citizens; the pitiful service at the single airport and

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the seaports; the railroads far short of modern standards of service; the telecommunications network which, besides serving one of the lowest numbers of subscribers as a proportion of the population in the world, was also backward in its technology; an electricity distribution network oriented toward supplying an inefficient industry and securing minimal consumption by households; an obsolete energy network; and a severely damaged agricultural infrastructure that consisted mainly of an irrigation channels.

Considering this situation inherited from the past and the major objectives the government had set itself in its program, public investments occupied an important place in its work between 1992 and 1996.

Since 1993, despite the very serious food emergency and the need to stabilize public order, which were its main priorities, the government has given proper attention to creating a new public investment policy, with the aim of defining priorities and guaranteeing financial resources to permit the earliest possible action to create a level of economic infrastructure that would no longer obstruct the growth of the embryonic market economy and would cope with the inevitable growth in personal consumption resulting from the release of the potential of the individual.

This policy included certain reversals of the previous public investment policy.

First, the policy was freed from the notion of relying on our own resources, and relied heavily on the support of international financial institutions.

Second, the policy defined priority sectors in accordance with the new role of the state in the economy, indeed narrowing the range of the sectors in which the state played a part, but thus opening up major opportunities for private investment, for example in the oil sector and in construction.

Third, the policy envisaged that the private sector would gradually take over this investment program, thus acting as a catalyst.

The policy in this delicate area was not constructed in a void, but bore in mind the experience of other countries and made use of the help offered by other states, donor organizations, and financial institutions who in fact have been our partners in this process of developing the country under democracy. Their aid has been influential in many ways and we may here mention:

—The quality of the projects that have now been carried out, bearing in mind that international standards that were little known in Albania until a short time ago;

—The program of public investments and the coordination of available financing;

—The attention to the completion of each project, which has ensured an independent choice of the best firm and the full preparation of the company executing it.

This policy of investment in sectors of public interest has increasingly yielded results that are tangible both to family and business consumers. Of course, considering that we are dealing with large-scale operations, the preparatory and construction phases may have been relatively long, sometimes for reasons that may seem of a subjective nature, but are in fact objective, and are especially connected with our lack of experience at different phases of public investment projects.

About 880 million leks was spent from the state budget in 1995 to finance the repair, reconstruction, and building of roads and bridges, compared with 64 million leks in 1992, 346 million leks in 1993, and 372 million in 1994. However, more important than the work completed so far is the fact that almost all the foreign financing, i.e. about $200 million from such donors as the World Bank, the EU, and the European Bank for Reconstruction and Development, has been secured for the main roads of the north-south and east-west axes. The plans are ready and work will start on the great majority of projects in 1996. It is anticipated that about 5 billion leks, including about 4 billion leks in foreign finance, will be spent on these corridors and on other important national and local roads during 1996 alone.

In the field of transportation, I would like to mention the investment in the infrastructure of the port of Durres and the preparation of major plans in this field which will secure the development of sea transportation in the future. Work has been done to turn Durres into a modern port which will not only be capable of handling traffic for Albania but will assume a regional role. Budget financing devoted to this sector has amounted to about 240 million leks, and foreign financing to about 1.5 billion leks. Further financing to the order of $30 million has also been secured to equip the ports of Durres and Vlore with modern equipment for handling freight and with ferry terminals.

In the field of air transportation, a credit of about 48 million German marks [DM] granted on easy terms will make it possible to build a modern airport to serve the growing needs of air traffic. The financing was found for this project in the best way possible, because not only was no burden laid on the state budget, but even greater opportunities were created for investment in the infrastructure of the airport environment (such as in the new airport road, freight warehouses, etc.), thus contributing to greater quality and speed of service.

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About DM20 million will be spent in 1996, and the results of this investment will be evident this year.

About 2.7 billion leks were invested in water utilities in 1995, or 30 percent more than in the three previous years taken together. About 1.6 billion leks of this consisted of foreign investment. During these years, the water utilities of Kukes, Has, and Kavaje have been reconstructed with financing from the German Government. The World Bank has helped to carry work forward at the Boville reservoir and in the great water utility project for Durres, and a great deal of work has been done on the water supplies of the country's towns and villages. With the start of work in 1996 on the Korce water supply with German assistance, on the Shkoder water supply with Austrian assistance, and on the Tirana water supply with Italian assistance, and on other projects that are in an advanced state of preparation, investments in the water supply in 1996 will be over 4 billion leks. Projects are also in preparation for the towns of Fier, Vlore, Elbasan, Lezhe, etc.

There has been massive intervention in the energy sector to improve the serious condition of the infrastructure. The state budget was used to overcome the emergency situation in particular. In the last four years, about 2.4 billion leks have been invested, not including the Energy Corporation's investments from its own resources. Considerable foreign funds have also been invested in this sector. I would particularly mention here the Italian aid and the World Bank aid, which provided equipment to enable the emergency to be overcome. The intention in this important economic sector has been to secure clear prospects for the future by preparing several large projects with a value of about $200 million and obtaining financing from international institutions such as the World Bank, the European Bank for Reconstruction and Development, the Italian and Swiss Governments, etc. These projects are now being carried out, and when they are completed there will be a radical improvement in the country's energy infrastructure.

The government has devoted proper attention to the telecommunications sector, considering its importance for private business and the increased needs that improved prosperity brings. Financing from the budget has been used to a total of about 650 million leks in the three years of 1993-95, without mentioning the funds of the enterprise itself. Most of the investments has come from foreign sources, to the amount of about 1.7 billion leks by the end of 1995. Other investments of about 1 billion leks will be carried out in 1996, making it possible to complete the first phase of the modernization of the classical telecommunications system, expanding the network of subscribers from 40,000 in 1992 to about 90,000 in 1996, and at the same time enabling the telecommunications enterprise to further develop its services.

Investments have also entered new areas of telecommunications in Albania, such as mobile telephones and telephones in rural areas. Investments in these fields will enable Albania soon to have a strong telephone network in rural areas too, with a detailed plan for further investment.

Important financing from the state budget and foreign aid and credit have also been directed at agriculture, in which the state plays an important supportive role. The total budget financing in the three years of 1993-95 has been about 1.4 billion leks, while foreign aid disbursed in the same period has been about 2.8 billion leks. The repair of irrigation and drainage channels began in 1993 with about 600 million leks in budget financing and reached about 2.6 billion leks in budget finance and foreign finance from the World Bank, the Netherlands, Italy, Kuwait, the IFAD [expansion unknown], etc. Special importance has been attached to this sector, remembering the major role played by agriculture in the GNP. Irrigation systems have been repaired and improved to cover 16,600 hectares in seven districts, and work is being done on thousands of others.

In the housing sector, the government has aimed at meeting the housing needs of badly affected social strata, at the same time paving the way for the start of a private housing market. Direct public investments from the state budget and other donors have amounted to 6.3 billion leks. This sum does not include the state contribution for the homeless envisaged in the housing financing scheme in the law on solving the housing problem.

Considerable budget funds have been invested in the health sector to improve the infrastructure of hospitals and clinics. About 1.2 billion leks was invested in the years 1993-95 with the expenditure of about 2.4 billion leks from foreign financing secured so far. This financing will increase, starting in 1996, in which about 700 million leks were granted from the state budget and foreign financing amounting to 2.1 billion leks was granted from a broad range of donors.

Investment in education has aimed at improving school premises, adapting the school network to the movements of the population, and improving the quality of the education offered. Finance from the budget grew from 261 million leks in 1993 to 840 million leks in 1995 and more than 1 billion leks in 1996. Meanwhile, foreign financing in these years has been respectively 310,370 million [figure as published, no currency or

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year specified] and 1 billion leks from the EU, the World Bank, etc.

In the years 1994 and 1995, public investment trebled in real terms in comparison with 1993, in response to the vital need to invest in the infrastructure and public services. Expenditure on public investment projects in 1995 is calculated to have been about 19.5 million leks in comparison with 12 million leks in 1994 and 9 billion leks in 1993.

Public investments are anticipated to occupy an important part in the Economic Investment Program in the next four years. The programs for different sectors that are being prepared with the assistance of international institutions, such as the World Bank, the EU, etc., make up a sound foundation for the most effective use of financial resources. For the last three years, three-year investment programs have been in operation, which have been executed and reviewed at annual intervals, with the aim of transferring as soon as possible to the most detailed four-year plans of public investments. The main objectives of the public investments plans before the year 2000 are expected to be:

(i) Building and improving the necessary infrastructure in roads, energy, the water supply, telecommunications, etc.

(ii) The implementation of important programs in the social infrastructure, such as in education and health.

(iii) Investment support for agriculture, irrigation, forests, etc.

To define more specifically our priorities for the near future, we may pause to consider the relative levels of finance for different sectors on the basis of the public investment strategy and an analysis of the priorities of different areas.

About 60 percent of the financial resources of the public investment program will be used on the infrastructure and public enterprises and services, including roads, transportation, telecommunication, energy, water supply, and sewers.

About 16 percent of these resources will be spent on the management of natural resources, including agriculture, forests, fisheries, and the exploitation of minerals.

About 8 percent of these resources will be spent on incentives for the development of private enterprises.

About 13 percent of these resources will be spent on the infrastructure and management of human resources.

Another important sector is improving the work of the public administration and the services of government and financial institutions. The reform process in them will continue and will use about 3 percent of the resources of the public investment program.

The contribution of the budget to the public investment program has increased by 30 percent each year from 4.6 billion leks in 1993 to 8.2 billion leks in 1995, thus reflecting the rise in public investment as a proportion of the total budget expenditure of the state, from 10.2 percent to 11.9 percent. The most important component in financing the public investment program is of course foreign finance. This has risen from practically nothing in 1993 to about $70 million in 1994 and more than $110 million or more than 50 percent of the total public investments in 1995. Financial agreements signed by the government and aid agencies have risen in value from $160 million in 1993 to $270 million in 1994 and $424 million in 1995.

The prospects for financing the public investment program during the 1996-98 period and beyond are expected to involve major changes in the structure of this finance as a result of negotiations conducted with foreign donors and international financial institutions and on the basis of an approval of the clear financial policies that the government has pursued and will continue to pursue to strengthen democracy, continue the market economy reforms, and integrate Albania in European and Atlantic structures.

First, foreign finance will increase significantly, because many infrastructure projects for which foreign finance has been secured are being completed much faster.

Second, it is expected that agreements will be signed in 1996 for foreign finance for the public investment program to a total of $450 million.

Third, nonconcessional finance from international financial institutions such as the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, and the International Investment Bank will increase.

Fourth, it is expected that the private sector will be more closely involved in the finance of a number of infrastructure projects through the well-known BOT and BOO [expansions unknown] schemes, which have been used in other fast-developing countries, to match this development with an equally fast development of the infrastructure that has relied on inadequate investments from both the public and private sectors. These resources will be used for effective commercial investments in public utilities and to finance the economic infrastructure as part of larger financial packages that will include significant elements of grant aid.

Having a clear program for the establishment and consolidation of democracy throughout the four-year period

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and a coherent public investment policy that aims to physically consolidate a market economy that gives full freedom to the individual, the government has turned to international financial institutions and friendly countries to secure financial support for its programs. This method has secured not only finance but comprehensive assistance for the drafting and application of policies in each area and in defining, preparing, and carrying out primary projects in the economy. Moreover, the partners chosen for cooperation (we would single out the World Bank and the IMF) have guaranteed competence and experience in correctly defining the policies for different sectors in transition. By working hard to inform donors of our medium-term and long-term objectives, and organizing conferences to make donors aware of the problems of transition in Albania, they mobilized considerable resources that have made a contribution to fulfilling the aims declared in the government's strategic documents.

Since 1991, about $2,200 million have been committed, of which $1,100 million have been disbursed. Among the leading donors, we would mention the EU with $650 million, Italy with $420 million, the World Bank with about $290, the United States with $218 million, Germany with about $210 million, and Japan with $75 million, to all of whom we express our thanks.

Meanwhile, negotiations have been conducted for a further $300 million, and, before the end of the program, it is expected that $300 million more will be secured. This, added to the $400 million expected from domestic sources, will lead to a total of over $2 billion or 200 billion leks. Rest assured that this aid will not be given, just as foreign investors will not come, to build socialism.

In the next four years too, it is expected that foreign financial resources will provide a large part of the finance for realizing the objectives of the government's program.

It must be stressed it is expected that this support for the future will be better directed and will have a more visible and faster impact, because the institutions carrying out public projects have now achieved a satisfactory capacity to absorb this finance.

During the very first period of the reform, the idea took root that the state should intervene mainly in preparing the terrain for economic development and encouraging the private sector as the locomotive of the economy. On the basis of this idea, foreign finance too will be used to achieve the following objectives:

(i) The construction and improvement of the necessary infrastructure, such as highways, the electricity supply, household water supplies, irrigation and drainage, telecommunications, etc. Intervention in these areas will aim not only at the normal development of a market economy of todays dimensions but will open up for the country prospects of several decades of fast development.

(ii) Completing and refining the necessary legal framework and constructing and consolidating the new institutions of the democratic state.

(iii) Encouraging and strengthening the countrys production base by:

a) encouraging the creation of modern financial institutions that will mobilize domestic resources and make possible their effective use;

b) supporting the development of small business;

c) completing the process of mass privatization and supporting enterprises after their privatization.

(iv) Carrying out social support programs;

(v) Implementing policies for regions and economic sectors.

The government requires large financial resources in order to achieve these objectives, beyond the resources of the state budget. Under these circumstances, foreign finance will continue to play an important role. Remembering the dimensions and kind of this finance, the following aims must be borne in mind:

—Finance on easy terms or grant aid must mainly be sought, because this reduces the cost of the project and hence the cost of servicing the foreign debt;

—An optimal balance between the gross domestic product and foreign finance must be sought, in order to prevent unacceptable levels of foreign debt threatening macroeconomic stability;

—Concentration is necessary on primary sectors such as transportation, energy, household water supplies, infrastructure for irrigation and drainage, and telecommunication—large-scale and complex projects with a major impact on development rates.

The transition to a market economy in Albania began not only from a weak economic base, but also a social welfare network of very low development. Surmounting the emergency required an active policy on the labor market and a stable and well-considered social security policy, in order to make possible the gradual development of the country and the improved treatment of human resources.

Besides extreme poverty and backwardness, we also inherited spiralling unemployment (even if hidden in

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the shape of the 80 percent) [reference to proportion of wages paid to laid-off workers in 1991-92], inadequate laws for pay and the support of the unemployed, and in general legal acts and structures that were not up to the requirements of a society in transformation.

We have been and remain in favor of a social market economy, i.e. a free economic order based on a market economy, in which economic goals can be achieved through the coordination of the markets and in which the rules of competition are applied among independent economic agents, without jeopardizing social goals.

This calls for the creation of a comprehensive system of social protection under the conditions of the market economy. In achieving our social policies, it must be said that in the first two years we had support in food and raw materials from Western countries, and later credit on easy terms or grants, which helped us to achieve our aims.

We supported the creation of a free labor market, freedom of association in trade unions, and the autonomy of collective labor contracts. We created an entire network of social welfare and pensions, as well as a full legal system for this purpose. We eased labor conditions, especially for women, shortened working hours, and extended annual vacations and support for mothers.

To achieve these objectives, the government created the Ministry of Labor, Emigration, Social Welfare, and Former Victims of Political Persecution, which devised polices, legislation, and structures to enact measures to solve social and labor problems.

The first problem posed for solution was the creation of a system of unemployment pay for about 300,000 people out of work.

The state budget used the following sums for unemployment pay: 2.5 billion leks in May-December 1992; 4 billion leks in 1993, 3.6 billion leks in 1994, and 2.5 billion leks in 1995. The necessary legislation was devised to enact this scheme and a state labor administration was created nationwide.

In July 1993, a system of economic aid was created to cover families with incomes below the poverty line in the countryaside and the towns, who had still not begun to work the land that had been privatized, and families that remained with two members unemployed even after one year of unemployment pay. For these categories, 2 billion leks were spent in July-December 1993, 4 billion leks during 1994, and 3.6 billion leks during 1995, while 3.6 billion leks are forecast for 1996. These funds are distributed by a network of 360 offices.

Another very important problem in the social sphere was the total restructuring of social security. The difficulties were greater in this area, because an anachronistic 40-year-old system fraught with many social problems had to be redesigned.

With legislation on social security and a total restructuring of the Social Security Institute, a system was created that is separate from the state budget and based 90 percent on the contributions of employers and employees. A long-term strategy for 1994-2014 has been compiled, and pensions have been restructured, as a result of which pensions will gradually meet pensioners needs for a life of dignity.

The first fruits of this policy were realized during the years 1992-96, with continual periodic increases of pensions as a result also of intervention in the financing of pensions by the state budget. Pensions will improve in the future with the growth in the number of private contributors to social security schemes, who have so far been few.

One very important aspect of social policy in the last few years has been help for the former victims of political persecution, to whom democracy has restored their freedom and human dignity. On the basis of new legislation, appropriate organizations were created for this long-suffering stratum of Albanian society, and tens of thousands of people were given a total of 1,710 million leks for the work they performed in prison, 3,000 million leks in bonds, 1,200 million leks in special pensions, and 3,150 million leks for housing. A total of 10,000 people were educated at college in full-time and correspondence courses, and 650 people at high schools. These people were also employed and given priority in the process of privatization. Legislation and central and local branches of the state administration were created to carry out this important social policy.

Thanks to financing from the state budget for these schemes of social support, a redistribution of national earnings was achieved during the transition period in the favor of strata with social problems. For the first time in Albania, policies, strategies, and legislation were drawn up, and administration was created for the scaffolding of the market economy.

The pursuit of an active social policy of employment was also at the center of attention in 1995-96, and will be a priority for the future. This will make it possible to undertake public works in the towns and the countryside during 1996, to involve the able-bodied members of families receiving economic assistance and the unemployed, who receive unemployment pay. The budget funds for this purpose will be increased in

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the coming years by reducing expenditure on social assistance and unemployment pay.

Ever since 1992, an entire system of vocational training centers for the unemployed has been under development, financed by international organizations such as the World Bank, the EU, other Western states, and the Albanian state budget. The system has also included those who wish to train for a new profession. The vocational training mainly of unemployed young people has been and remains a leading priority of the democratic governments active employment policy.

About 14,000 unemployed people have been trained during these years in foreign languages, computers, and new professions for which there is a demand on the labor market. The tendency now is to carry out policies and legislation that will encourage the development of private facilities in our country that will meet in a flexible and large-scale way the demands for the professional training of the unemployed and the young.

The approval of the labor code laid the foundations for the establishment of the rights of labor in Albania. The enforcement of this legislation has institutionalized relations between social partners in Albania, i.e. employers, employees, and the state. The National Labor Council and regional councils in each prefecture will soon be created to assist these relations.

The state labor administration, besides administering unemployment pay, is also actively engaged in mediation and counselling in relation to labor and professions, actively helping to fill jobs and reduce the number of unemployed.

As a result of the rate of the economic reform, privatization, and free initiative, the number of unemployed, which was 360,000 or 23 percent of the labor force in 1993-94, began to decline in 1995 and is now 164,000 or 10.6 percent of the country's active labor force.

There has been continual work between 1992 and 1996 to support individuals and groups with limited abilities and social problems, orphans, the elderly in residential homes, the blind, the handicapped, etc. This support will continue to increase in the future.

All these measures of the last four years will be refined, modernized, and coordinated with each other, as well as being supplemented by the private sector. They will constitute the social context and network built by the democratic Albanian state in the service of certain strata of the population, during the further refinement of the social market economy in Albania.

All legal and organizational measures will be taken to enable citizens to take an active part in the country's economy, with professional training of all kinds, especially in support of job seekers who have difficulty in finding employment. With this aim, there will be an increase in the number of training centers and in the encouragement given to the professional training of young people, especially in new professions and undeveloped branches of the economy. Employers who create new jobs and start new businesses will also be supported with the help of the National Employment Fund. Above all, mediation and advice in the labor sphere will be improved.

The system of community care will be further developed in the future, with additions to the number of relevant institutions and improved treatment for those they assist. Nongovernmental organizations and private social institutions will be encouraged and put into action in the service of these groups of people.

The group of former victims of political persecution will also continue to be supported financially and institutionally through payment for the unpaid labor they performed, guaranteed housing, and priority in privatization, employment, and the education of their children.

To realize all these polices for the social protection of citizens, a more complete system of laws will be drawn up, the institutional network will be extended, and this work of the state and local government will be given a broader scope.

Since its very first days, the PD has been working and striving to create a free social order on the basis of guaranteed political freedoms, because we were convinced that there cannot be political freedom in any country in the absence of economic freedoms and with centralized management, just as there cannot be economic freedom in the absence of political freedom.

In these four years of PD government, changes have been achieved that were unimaginable in the first days of the democratic transformations in Albania. The extreme backwardness we inherited, and the extreme violence, poverty, and shortages have made us make demands of ourselves to achieve equally significant results once again. We are convinced that new difficulties will arise as we raise the level of social organization to that of a market economy, with improvements in labor productivity and the technological level of Albanian industry, and with a better level of organization in the Albanian civil service. During the last four years, we have created the basis for a new qualitative leap, a step that will bring democratic Albania closer to Europe and will open the doors of Europe to it.

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We have created the legal framework of a social market economy and of a law-governed state. We have thus created opportunities to continue on the road on which we have set out, whose justice others in the West have tested before us.

It is obvious that the program that we are setting ourselves for the next four years includes many difficult tasks, but many of the projects that have been begun and have been supported with funds are guaranteed completion, such as those involving the infrastructure, roads, telecommunications, housing construction, water supplies, drainage, the creation of private banks, and private enterprises, in other words, the creation of private enterprise in the Albanian economy. We are sure that with the program of mass privatization we will further reduce state involvement in the economy. The coming year will also be decisive for solving the problem of the restitution and compensation of property, a complicated issue that cannot be settled overnight.

When we look back at the road we have traversed and the results we have achieved, it is natural that we also see shortcomings in our work, errors, and failures. We have continually analyzed them, but this analysis must be deepened if it is to become a genuinely positive experience. Among these weaknesses, I would mention corruption, incompetence, and nepotism, very dangerous things for a democratic society, and which must be uprooted by strict legal means, through the best possible selection of people, with stiff measures against those who make mistakes, and the dismissal of those who are incompetent or do not meet the legal qualifications. We must all the more do this now that we are analyzing a period as it ends. Any tolerance or nostalgia would have serious consequences. Realizing the tasks we have set ourselves for the next four years requires the mobilization of all our human resources, and the task of this assembly is to select the best people who will carry this heavy and noble burden for Albania for the next four years. The next four years will be the years of the final affirmation of democracy, the market economy, and the rule of law in Albania. Those who want to traverse this road must be clear-headed and capable, must deserve the posts given to them, and must be dedicated democrats. The people that we select will assure the country that this program will be acted upon. In performing it, we will secure for Albania a political class and an administration that are up to their duties, incorruptible, honest, and dedicated.

The forthcoming elections are decisive for the fate of Albania, and will tell whether she will be part of democratic Western civilization or will join the East that wishes to remain communist. Here lies our responsibility in selecting people, in drafting the electoral program, and in conducting the election campaign.

In these years, the government has been obliged to confront not only very serious inherited difficulties and the problems of transition and reform, but the incessant destructiveness of the Socialist Party [PS], which has always voted and worked against the application of the reform, and has tried to destabilize and obstruct it. From the very beginning, the government has worked to the accompaniment of the PS demands for new elections, innumerable votes of no confidence, and their votes against all basic decisions and laws. It has worked without the constructive critical attitude and the alternatives an opposition offers.

Notice how in their congress of continuity today [reference to the Albanian Workers Party Ninth Congress in 1986, known as the congress of continuity], the PS has promised to dismantle what has been created in these four years and to build up their Marxist ideas of a centralized economy, the expropriation of property owners, a powerful state role in the economy, increased taxes, etc. They are offering the electorate an alternative of turning back.

The PD is offering the Albanian electorate a real program in which everybody wins, a realistic and feasible program that has the total support of Europe and other democratic Western countries, for the good of Albania and the Albanians, and for Albania's final entry into Europe. Four years ago, the PD unveiled its program, which we have in general exceeded. We have kept our word to the electorate and will continue to keep it during the next four years. The results of the last four years and the support we have secured are a guarantee for victory in the next elections, for which we must all commit ourselves and work.

We Democrats will win. We will win because with us everybody wins, and Albania wins.

Long live the PD!

Long live Albania!

Albania: Screening Commission Bars 35 Socialist Candidates

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[FBIS Report] Tirana KOHA JONE in Albanian on 13 April carries on page three a 700-word report by Emin Barci, entitled "Black Lists Reach the Socialist Party [PS]" on the exclusion by the Commission for Screening Political Figures of 35 PS candidates from participation in the 26 May elections.

The candidates names, listed separately in the item, are:

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1. Servet Pellumbi

2. Gramoz Ruci
3. Dritero Agolli
4. Kastriot Islami
5. Ylli Bufi
6. Ndre Legisi
7. Fehmi Abdiu
8. Shkelqim Cani
9. Moikom Zeqo
10. Leontiev Cuci
11. Sabit Brokaj
12. Mehmet Loci
13. Vladimir Metani
14. Fatos Muco
15. Zyhdi Pepa
16. Fatmir Kumbaro
17. Bashkim Koci
18. Spartak Poci
19. Kristaq Tumani
20. Xhevdet Alibali
21. Murat Kaci
22. Gjeto Cutaj
23. Marko Dhamo
24. Rexhep Kerciku
25. Fehmi Xhema
26. Shahin Cela
27. Mefail Bilea
28. Zamira Cakaj
29. Leonidha Gjermeni
30. Spartak Braho
31. Mexhit Hajdari
32. Muhamet Bela
33. Lato Lato
34. Bardhyl Kondo
35. Baftjar Malo

The report states, "PS Deputy Chairman Namik Dokle brought to Socialist headquarters the lists proved by the State Commission. Of the 268 names on the list, 35 were refused. These include 12 who were senior state officials before 31 March 1991 or members of senior bodies of the Albanian Workers Party, whose fate was clear immediately after the announcement of the Antigenocide Law. What has caused concern has been the 23 names that the largest opposition party considered virgin."

Commenting on his own presence on the list of those barred from running in the election, Kastriot Islami is reported as saying, "I knew what would happen. My mistake was to run for president against Berisha. My friends in the Democratic Party [PD] promised me that, if I had withdrawn my candidacy as president, I could have received a pass mark."

The report continues, "The elimination of Dr. Servet Pellumbi, the PS's first deputy chairman, was also unexpected. We asked Mr. Pellumbi to confirm the verdict the commission had dealt him, but he said that he would keep everything for the PS news conference to be held this morning. In any case, on 27 February Pellumbi became a target for an attack by the president, and Berisha's Information Office called him a spy, thus forecasting his elimination. Ndre Legisi, one of the unexpected candidates for elimination, admitted that he personally had received a negative answer, but reacted bitterly in a public statement. 'I consider the commission's decision a political decision against my refusal to bow to Berisha's pressure,' Legisi explained. Saying that he will appeal to the courts, he said, 'my departure from politics is only temporary.' Professor Sabit Brokaj will also appeal to the courts. Mr. Brokajs position before 31 March 1991 [health minister] meant there was nothing surprising in the elimination of his name. However, Brokaj announced that he would unhesitatingly place the commission's decision before the courts, because he had never done anybody any harm. A pleasant surprise to the PS militants was the virginity of Maleshovites [reference to Sejfullah Maleshova, communist politician in the immediate postwar years, subsequently disgraced] Bashkim Zeneli, Xhevat Lloshi, and Luan Shahollari. Among them, the commission rejected only Kumbaro. Another candidate for elimination was Shkelqim Cani, who was minister for the economy for only 41 days before 31 March 1991."

The report continues, "Mathematically, the Socialists now possess 233 candidates with positive replies to cover 115 constituencies and 25 places on the proportional lists. A reply is also expected for 39 other candidates, including Shaqir Vukaj, deputy chairman of the parliament. The right-wing press yesterday published Vukajs name on the Socialists black list. The PS is expected to officially demonstrate its cool head by issuing a statement. The PS Presidium considers the bans to be a strategy in judicial garb planned by the government. Regardless of the Socialists' optimism, Berisha has put them in dire straits, whether fairly or otherwise. With Fatos Nano in prison and Pellumbi, Ruci, Islami, Agolli, Legisi, etc. outside parliament, it seems that this party will find it extremely difficult to dominate the next parliament."

The PS paper Tirana ZERI I POPULLIT in Albanian on 13 April does not carry the list of barred candidates, and its sole mention of the screening commission's decision is an announcement on page one, whose full text runs:

"A report was received on 12 April 1996 from the commission created on the basis of the Law on Screening Official Figures and Other People Involved in Protect-

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ing the Democratic State No. 8.043 of 31 November 1995.

"As forewarned in some of the recent statements by the PD and many diversionary articles in the progovernment press, some of the main figures of the PS centrally and in the districts have not been allowed to run as candidates for the position of deputy in the parliamentary elections of 26 May 1996.

"The most recent arbitrary decision marks the culmination of a strategy to strike at our party planned by the current government and clad in judicial garb. This measure has not caught all the party unprepared, and the party will continue even more determinedly in its efforts to achieve an election victory."

The PD paper Tirana RILINDJA DEMOKRATIKE in Albanian on 13 April carries on page one a 700-page editorial entitled "The Spies Brand Themselves."

Albania: 'Misuse' of Foreign Aid, Loans Discussed

AU1204132396 Tirana POLI I QENDRES in Albanian 11 Apr 96 p 2

[Article by Enea Janko: "Have $2.5 Billion Been Invested in Albania? State Banks and Tenders Cause Economic Devastation"]

[FBIS Translated Text] One of the great achievements broadcast by government propaganda has been the figure for investments in the last four years. The given figure of $2.5 billion provided by foreign and domestic investors is indeed a satisfactory one if one remembers that studies completed in 1991-92 calculated that $1.5 billion would be necessary to set in motion the country's economy. But in what state is the country's economy now, when it is claimed that $2.5 billion has been invested in order to revive it? Let us quote a few figures that clearly testify to our economy's state of development.

Studies carried out by specialists state that 70 percent of the economy is still idle. Private investments have been directed mainly toward the service sector, and there has been very little investment in the production sector. Agriculture is still producing at a rate far below its existing capacity. This means that Albania has been importing from neighboring countries almost all the goods necessary for subsistence. In other words, our country has been turned into a market for the sale and consumption of goods coming from abroad. This is also clear from the import and export figures, which show a large imbalance in the favor of imports.

Although investment in the public sector may have been high, this fact does not tell the truth. Roads throughout the country are ruined. Our houses in the towns and the countryside still suffer from a lack of electricity and drinking water. There are still entire towns and villages without a telephone link. There are still dozens of schools and student dormitories without glass in their windows.

While the situation is like this, how can the Democratic Party [PD] government boast about the investment of $2.5 billion in the last four years? Let us analyze this. Bearing in mind that in the last four years $6 billion has entered and been accumulated in Albania, the sum of $2.5 billion looks small. It is true that our country during these four years has benefited from major economic aid from other states and international organizations, but this money has been inefficiently administered and to a considerable extent stolen. There are two factors that have led to the misuse of foreign aid and loans:

1. The first is the state banking system, which has distributed the money loaned from abroad in the form of credit. The state banks have issued this credit according to political, not economic, criteria. The directors of the banks and their PD colleagues have gained millions by applying the famous 10 percent rule on every loan given.

2. Our state institutions' use of tenders in order to complete investment projects has been devastating for the economy. Almost one-half of the funds given for different projects have changed their destination. A proportion has gone into the pockets of the chairmen of the tender commissions and another large proportion is an illegal profit for the contracted firms. This happens because the work of these firms is not controlled by the government authorities that are responsible for this task.

As long as the investment of $2.5 billion that the government claims has not yielded fruit, nobody has the right to boast about it. On the contrary, the government must bear the burden of guilt for the misuse of this money given to help Albania.

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Czech Republic: Havel: Baltics, Republic Have Much in Common

LD1604104796 Prague Radiozurnal Radio Network in Czech 0900 GMT 16 Apr 96

[FBIS Translated Excerpt] President Vaclav Havel will begin a visit to Lithuania today during his tour of the Baltics. Our special correspondent David Stahlavsky has more details:

[Stahlavsky] The Baltic states appreciate the Czech Republic's economic reform, and they are interested in our experience gained in negotiations on the Czech Republic's entry into the EU and NATO. Therefore, they see our country as a bridge to West Europe. Vaclav Havel exemplified this interest with the following words:

[Begin Havel recording] I have seen great interest in political cooperation. To some extent, all the Baltic states feel that they are in the same boat as we are. They have similar problems and similar aims to ours. They are interested in exchanging experience and in cooperating in various fields, not only in the economic sphere. [end recording]

The Czech president will leave Riga for Vilnius this afternoon. Before that, he will visit the UN peacekeeping forces' training center. [passage omitted]

Czech Republic: No Mosque To Be Built in Teplice

96CH0070C Prague PRAGUE POST in English 5 Mar 96 p 4

[Article by Susan L. Thomas: "Fears of Fundamentalism Demolish Plans To Build Mosque in Teplice"]

[FBIS Transcribed Text] After reading a report full of sweeping generalizations about the so-called dangers of the Islamic faith, the city council in Teplice voted overwhelmingly to halt negotiations to build a mosque there.

Councilman Vaclav Jelinek said in a report to the full council that those who leave the Islamic faith face the death penalty, that there are Muslim criminals, and that drugs originate from places such as Turkey, where Islam prevails. The council voted 26-2, with one councilor abstaining, in favor of halting talks.

Several weeks earlier, the council received a similar warning from a group of six Christian churches in Teplice. "It's not just about a mosque, but we have to realize that the logical consequence of building a mosque in Teplice would lead to the influence of Islam, which, as we can see from the situation and development in Islamic countries, would not bring much good."

The decision was an emotional one, not based on the merits of the project, said Ziad Al Hindawi, manager of the Teplice branch of the travel agency Sky Masters, based in Dubai, United Arab Emirates.

"Because mosques are in most Western countries, and I do condemn fanaticism, which has no specific language or religion, I was very astonished by this decision," he said.

Entrepreneur Juma Ubaid Abu Alshwareb, of Dubai, first broached the idea of building a mosque in September 1995, during one of his regular trips to the Beethoven Spa in Teplice. In an unofficial conversation with Mayor Jaroslav Kubera, the entrepreneur told him if the city donated a piece of land near the center, then he would build a mosque and an educational center where people could learn English and possibly Arabic.

Al Hindawi, who has been in contact with Alshwareb, said the businessman is upset and saddened by the council's decision, but was even more saddened by the anti-Islamic reaction. He said he will never again propose to build the mosque.

Alshwareb had not yet presented formal plans for the mosque, but he had shown the city photographs and had been negotiating with city officials. The mayor and other town officials responded favorably to his proposal, citing both cultural diversity and the possible influx of money into the city coffers from tourism. A local newspaper reporter who wrote about the story in September said the people also reacted positively.

But after a flurry of press coverage, some local citizens and churches began to voice opposition. The council's vote was a preemptive move, as the proposal had not yet been submitted for city approval. The vote on the motion to discontinue talks on building a mosque also included a statement that city officials not discuss the matter publicly.

Alshwareb has built mosques in several cities in the world, and had wanted to add Teplice to the list, especially because there has been an increase in the number of Arab tourists to the town. The Beethoven Spa reported late last year that about three out of four customers are Arab, and their numbers at the spa doubled between 1994 and 1995.

The Czech Republic has had little experience with Islam, but some officials in Brno also have become afraid of their Muslim community, which is mostly made up of students. The community had raised money and bought a parcel of land on which to build an Islamic center. That also sparked opposition from Brno council members, some stating they feared the Moravian capital would become a seat of Islamic fundamentalism.

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Slovakia: Official Views Conditions of OECD Membership

AU1504162896 Bratislava PRAVDA in Slovak 13 Apr 96 p 3

[Article by "va": "If We Want To Join the OECD, We Must Abolish the Import Surcharge"]

[FBIS Translated Excerpt] Bratislava—The Organization for Economic Cooperation and Development (OECD) is a prestigious international organization. Its members are 26 states with the most advanced economic, political, and social systems. The Slovak Republic has observer status in the OECD for the time being. According to Vojtech Tkac, state secretary at the Ministry of Labor, Social Affairs, and the Family, the beginning of 1997 is a realistic date for our admission to the OECD. However, until then we will have to meet several conditions, including the abolition of the import surcharge.

Vojtech Tkac participated in a two-day session of the OECD Committee for Social Affairs and Employment in Paris this week. As he stated after his return, the aim of the organization, admission to which we seek, is to stimulate and harmonize the economic and social development of member countries and to support world trade on the basis of multilateral cooperation, free of discrimination. From this fact alone, it transpires that the condition for other countries to join the OECD is the elimination of protectionist measures. In relation to Slovakia, this applies, most of all, to the issue of the import surcharge, according to Vojtech Tkac. [passage omitted]

Slovakia: Disruption at HZDS Rally Addressed by Meciar

AU1504172196

[FBIS Report] Slovak newspapers on 12 April publish a number of reports, ranging from 250 to 600 words, on a Movement for a Democratic Slovakia (HZDS) rally held in the indoor arena of Bratislava-Pasienky on 11 April. The reports focus on statements made by Prime Minister Vladimir Meciar at the rally and on an incident during which HZDS supporters physically assaulted a group of young people who unfurled a banner criticizing the recently approved Penal Code amendment.

Bratislava PRACA in Slovak on 12 April on page 2 carries a 600-word Frantisek Melis report on the HZDS rally entitled "Parliament Will Probably Also Sit in April." Giving an account of Vladimir Meciar's speech to his supporters, Melis says: "Vladimir Meciar spoke about the March assembly of his movement, which he said was 'open' and internationally recognized and about important parliamentary decisions. He applauded, as usual, Slovakia's macroeconomic results, which have made it possible to increase pensions 12 percent and to assist those longing for their own apartment with loans of 300,000 korunas. According to his words, the National Council of the Slovak Republic [NRSR] ratified the Slovak-Hungarian Treaty, thus offering a hand to the Hungarians to cooperate but not giving them the right to meddle in our affairs. He also spoke about the law on territorial and administrative arrangement, which the president returned to Parliament ('the president's objections are impossible to even deal with'), and once again defended the Penal Code amendment. He mentioned the letter from the European Union, which he characterized as 'friendly,' but objected to the fact that the EU protested before the amendment became valid and came into force. He stressed that it was passed also against a group of people and politicians who 'want to break up this territory.' In this context, he accused the Party of the Democratic Left [SDL], the Christian Democratic Movement [KDH], and the president of the Republic of being opposed to integration because 'they complain to their foreign centers.' 'If someone is opposed to integration, it is you, Messrs. Weiss, Carnogursky, and Kovac,' Vladimir Meciar stressed. After his words, a group of people in the auditorium began to chant: 'Carnogursky fascist—He hid behind Christ.' Vladimir Meciar then announced that the HZDS wants to speed up the discussion of both legal norms returned by the president and is therefore considering convening the 15th meeting of parliament in April (originally it was scheduled for May).

"He did not bypass the Michal Kovac Sr. and Michal Kovac Jr. affair either, thus violating his earlier promise that he would not comment on it until the court passes its verdict. 'Once the investigation is over, we will propose to the government to declassify materials that are now secret,' the HZDS chairman said, and added by way of promise that his movement is ready to pay for Michal Kovac Jr.'s trip to Munich so that he can testify there. Regarding the president's present trip to China, he said: 'Don't worry, they will return him to us.'"

Bratislava NARODNA OBRODA in Slovak on 12 April on page 4 carries a 400-word TASR report on the HZDS rally entitled "Vladimir Meciar: Those Dissatisfied With the Law Can Appeal to the Constitutional Court." The report includes the following passage on Vladimir Meciar's comments on the recently passed Penal Code amendment: "Regarding the approved amendment to the Penal Code, he said that, according to what this law is being reproached for, one can see the endeavor to set one interest, the interest of the state and of citizens, against another interest, the interest in maintaining

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unlimited freedoms without regard for the first interest. The discussion on this law takes place in Slovakia and beyond its borders.

"'He who is not satisfied with the law has the possibility to convince NRSR deputies, collect 30 signatures, and let the Constitutional Court of the Slovak Republic assess it. All possibilities have not even been exhausted in Slovakia, but the KDH and the SDL are already writing to their 'centers' and mobilizing political structures in the West against the law, as though violations of civic and human rights were taking place here,' he said."

Bratislava SME in Slovak on 12 April on page 2 carries a 350-word Ivan Kuhn report on the HZDS rally entitled "While Meciar Was Addressing the HZDS Rally at Pasienky About the Protection of the State, His Supporters Beat Up Protesting Youth." According to Kuhn, a half-hour after the rally's start, two young people unfurled a banner proclaiming: "We Will Not Permit Our Republic To Be Subverted! Klement Gottwald, 1948—Milos Jakes, 1989—Vladimir Meciar, 1996." The SME correspondent goes on to say: "The banner did not stay in their hands for long, however. They were immediately assaulted by several HZDS supporters the age of their fathers or grandmothers, who not only tore the banner out of the demonstrators' hands but also added a few punches, demonstrating a vitality that was extraordinary for their age. Security guards then interfered in the conflict, but all they managed to do was escort the protesting young men out of the building. In doing so, they defended them, not too successfully, against the multiple supremacy of the more aggressive rally participants." The SME correspondent observes that, shortly after this incident, Prime Minister Meciar "took the floor to say that, some time ago, a KDH rally that was 'full of wrath and hatred' was held in the same arena and to appeal to his supporters not to imitate the KDH in this respect."

Slovakia: HZDS Says RFE, Czech TV Guilty of Provocation

AU1504172696 Bratislava SLOVENSKA REPUBLIKA in Slovak 13 Apr 96 p 2

[Statement by Vladimir Hagara, director of the HZDS Public Opinion Department; place and date not given: "Provocateurs' Wretchedness; Standpoint on the Provocation in the Pesienky Sports Arena"]

[FBIS Translated Text] Political forces that are not too well disposed toward a favorable development of the Slovak Republic presented themselves once again with a previously prepared scenario on 11 April. It was realized at a peaceful rally of supporters of the Movement for a Democratic Slovakia [HZDS] in the sports arena at Bratislava-Pasienky, where a group of provocateurs excelled again with substantial assistance from [Czech] private television NOVA and Radio Free Europe editors, in cooperation with the crew of Hungarian Television's current affairs program PANORAMA. The above group is trying permanently to incite provocations, under the baton of well-known "stage managers." These appearances can be characterized as demonstrating the wretchedness of these people. The HZDS has repeatedly emphasized that it never resorts to similar practices in relation to its political rivals and that such practices are alien to the HZDS. The HZDS is always prepared to conduct an open political dialogue, and the path of communication is known to many citizens of the Slovak Republic. If our political "friends" have not come to understand this, they have the chance to demonstrate their truth to the citizens of the Slovak Republic and to convince them about this truth at some point in the future—not by means of hatred and ridicule, however.

Slovakia: Minister Rezes Protests 'Disinformation Campaign'

AU1504191996 Bratislava SLOVENSKA REPUBLIKA in Slovak 12 Apr 96 p 2

[Statement by Alexander Rezes, Slovak minister of transportation, posts, and telecommunications; place and date not given: "They Are Dealing With Half-Truths and Lies"]

[FBIS Translated Text] In defiance of my statements, the campaign against me continues with the aim of discrediting me. By means of various half-truths and lies, the authors of this campaign from the ranks of the political opposition permanently create the image of a noveau riche who irresponsibly manages public resources. The endeavor is to slow down the process of the speediest possible construction of a modern infrastructure and new communications systems in Slovakia and to sow uncertainty into the ranks of the government coalition. This is confirmed by a number of facts bearing out that the campaign has been politically motivated from the beginning.

Someone objects to the fact that Slovakia is not trailing behind the other transforming postcommunist countries, but, quite the contrary, its results show an upward tendency. Failed politicians do not shy away from any methods. From a political campaign, they have gone over to spreading malicious information that is not related in any way to the performance of the ministerial post and seriously jeopardizes the security and privacy of members of my family, who, unlike the family members of other opposition constitutional officials, have not violated the law in any way.

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I will give an exhaustive reply to this liquidationist disinformation campaign as soon as my state of health—I have just undergone heart surgery—permits it. At the same time, I will also respond to Deputy Mikulas Dzurinda's interpellation. I reemphasize that, unlike those who criticize me today, I did not get involved in politics because of material values. I acquired my property before taking up the government post, thanks to many years of honest, persistent, and successful work. I carry on this work today for the benefit of all citizens of Slovakia.

Slovakia: Growth of Population Slowing Down

AU1604102696 Bratislava SLOVENSKA REPUBLIKA in Slovak 9 Apr 96 p 3

[Report by Anna Kormova: "It Is Man's Choice"]

[FBIS Translated Text] Bratislava—After 1989, the development of most demographic processes in Slovakia continues in the trend of the 1980's. The most recent years, however, are signaling changes. We recorded a drop in the birthrate and pregnancies, the decline in weddings continues, and the abortion rate is decreasing.

The number of live births per 1,000 people was 13.8 in 1993, 12.4 in 1994, and 11.5 last year. The overall increase in population was 4.2 per 1,000 in 1993, 3.7 a year later, and 2.2 last year. The ratio of 5.8 weddings per 1,000 of 1993 declined to 5.1 last year. The number of abortions declined from 8.6 in 1993 to 6.7 per 1,000 last year.

More Children Born Out of Wedlock

The total of live born children last year—61,400—was 4,900 lower in comparison with 1994 and 11,800 lower in comparison with 1993. The birthrate was at a record low in Slovakia last year.

Unfortunately, the number of children born out of wedlock is rising. In 1993, 10.6 percent of children were born out of wedlock, in 1994 it was 11.7 percent of the total number of births, and last year this percentage grew to 12.6, which in absolute terms means 7,700 children.

Threat of Circulatory Disorders

The number of deaths—52,700—was 1,300 higher last year in comparison with 1994. The infant mortality indicator improved, however: 675 children under age 1 died, 68 fewer than in 1994.

Regarding the cause of death, 13,900 men, or 49.5 percent of the total number of deceased men, died of circulatory system disorders. Most died of ischemic heart diseases. The situation was similar for women. Most women—15,100 or 61.5 percent—died of circulatory system disorders, and most of those died of ischemic heart diseases. This was followed by 18 percent of women dying of tumors and 17 percent of respiratory disorders.

The second major group of causes of death among men—23.7 percent—was tumors. Most men died of malignant tracheal, bronchial, and lung tumors.

The number of weddings declined by 700 last year in comparison with 1994, to 27,500, which is the lowest number in the entire postwar period. At the same time, the average age of couples entering marriage for the first time is rising (women 21.5 and men 24).

Three-Quarters of the Divorced Have Minor Children

Last year, 9,000 marriages were dissolved by divorce, which is 312 more that in the preceding year. Of the total number of 11,800 divorce applications, 76.3 percent of marriages were ended by divorce. Of the approved divorces, three-quarters of the couples—6,800—had minor children. The most common reason for divorce by both partners was the difference of nature, opinions, and interests, alcoholism, and infidelity. Most divorces took place between the fourth and sixth years of marriage.

A marked decline in the abortion rate—35,900 abortions or 5,400 fewer in comparison with 1994 and 9,700 fewer in comparison with 1993—is apparently strongly affected by contraceptives (the number of female users rose from 230,300 women in 1993 to 248,300 in 1994).

The lower birthrate and higher death rate resulted in a decline in the natural growth of population last year to 8,700, which is 5,200 fewer people in comparison with 1994. The Slovak Republic added 2,800 people by means of migration last year. The Slovak Republic had a population of 5,367,800 on 31 December 1995, 51.3 percent of which were women. There were 949 men per 1,000 women.

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Hungary: Defense Minister Receives Praise for Tank Purchase

AU1604124996 Budapest MAGYAR HIRLAP in Hungarian 15 Apr 96 p 7

[Editorial by Janos T. Barabas: "Tanks, With a Single Move"]

[FBIS Translated Text] I do not know if, in a sudden heat of passion, Defense Minister Gyorgy Keleti had the right to buy 100 Soviet T-72 tanks for next to nothing. I fear he did not, and he will be rightfully chastised by the parliamentary defense committee for having left them out of the decision. He did not even call in bids; he was satisfied with a single offer—at some twentieth of the market price. It is possible that this step is a blow at the so important institution of civilian control. Nevertheless, I believe that he was right in doing what he did. And if the defense committee is also interested in defense and not just in the committee, then, when judging the issue, it has to take into consideration that, with a single move, the minister significantly increased the strength of defense, which is staggering toward death through final loss of power.

One of the arguments—namely, the lack of NATO compatibility—used in the debate which has ensued is just an excuse. By the time this could really be a problem, it will be possible to convert the tanks relatively cheaply—as a matter of fact, none of the western armies have the kind of tank guns that some Hungarian experts found missing from Keleti's tanks. And the argument that the tank is an offensive rather than a defensive weapon is almost comical because hardly any weapons exist that can only be used for defense and not at all for attack.

Civilian control is a vitally important element of democracy. However, it is advisable to use it wisely and not abuse it. As the current debate also shows, society's strategic and political control over the army is essential but this is not contravened if those people make decisions on military technology issues who are experts of it.

I believe that Keleti should apologize to the parliamentary defense committee and the committee should thank the minister.

Hungary: Popularity of Political Parties Discussed

AU1504183696 Budapest MAGYAR HIRLAP in Hungarian 12 Apr 96 p 3

[Unattributed report: "The Government Farewell Had a Boomerang Effect—Torgyan Increased MSZP's Popularity"]

[FBIS Translated Text] After the middle of March, the order of popularity of the Hungarian political parties changed considerably, an order that had been stable for nine months: support for the Independent Smallholders Party [FKGP] suddenly dropped, while support for the Hungarian Socialist Party [MSZP] increased by almost the same percentage and thus, the biggest governing party, has become a certain leader for the time being. Parallel with this development, Jozsef Torgyan's [FKGP chairman] popularity dropped considerably and leading government party politicians became more popular.

According to the latest surveys, one can theorize that Jozsef Torgyan's government farewell demonstration on 14 March actually elicited a "boomerang effect," quite the opposite of his original intention. Most voters had a worse opinion about Torgyan after the aforementioned speech; even one-fifth of FKGP supporters had a more unfavorable opinion about the party. Although the overwhelming majority of the voters see the FKGP as a party with extremist views dangerous to society, there is still considerable support for this party's populist style: even one-fifth of government party supporters think that Torgyan is criticized and attacked only because he always openly declares the truth. In any case, in the two weeks after the much-debated demonstration on 14 March, Jozsef Torgyan dropped to the bottom of the popularity list of Hungarian politicians, from the middle position he occupied until then. Jozsef Torgyan lost 11 points now, although his popularity index never dropped below 40 percent in the past year; Prime Minister Gyula Horn, however, increased its current popularity indicator of slightly below 40 by 10 percent. Peter Medgyessy, the new finance minister, appears on the list for the first time, and already occupies the fifth place, with his 63 points.

According to the surveys, if elections were held today, most voters (more than 25 percent) would again vote in favor of the MSZP. The list continues with the FKGP, with 10 percent less, the Alliance of Free Democrats, the Federation of Young Democrats, the Christian Democratic People's Party, and finally the Hungarian Democratic Forum [MDF]. The post party-split MDF, however, would not be able to reach even the 5 percent needed to make it into Parliament, and the newly established Hungarian Democratic People's Party can only count on 1 percent of the votes at present.

Hungary: Ethnic Hungarians' Political Organizations Reviewed

95CH0075A Budapest HETI VILAGGAZDASAG in Hungarian 2 Mar 96 pp 67-70

[Article by Tamas Gyurica, Bratislava; Janos Irhazi, Oradea; Andras Nemeth, Novi Sad: "National Pluralism—Political Organizations"]

[FBIS Translated Text] In every country, the political organizations of Hungarians are structured differ-

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ently: The Democratic Union of Hungarians in Romania [RMDSZ, UDMR in Romanian] acts as a party only to the outside, in the Bucharest Parliament, while internally it acts as a self-governing organization which encompasses every political course. In Slovakia, three parties vie for the favor of the Hungarian population, while they cooperate, if only loosely, within the Hungarian coalition. The Hungarians in Voivodina developed a two-party system, less alongside political values than alongside the group interests of their leaders.

Even before the Ceausescus fled Bucharest at the end of 1989, the political organization of Hungarians in Romania started in Temesvar [Timisoara] and soon spread to Marosvasarhely [Tirgu Mures], Kolozsvar [Cluj], and Eastern Transylvania. And yet the RMDSZ, or rather its provisional executive committee, was not formed in Transylvania, but in Bucharest on 25 December. The union held its first congress in Nagyvarad [Oradea] in the month following the anti-Hungarian pogrom of 19-20 March in Marosvasarhely, but the passions fanned by the bloody events only allowed a few important decisions to be made there. The delegates elected as chairman of the union the former Communist Geza Domokos, director of the Kriterion publishing company and friend of the (then still provisional) president Ion Iliescu; his position was affirmed a year later at the congress in Marosvasarhely.

The RMDSZ spent a considerable part of the first two years of its existence waging a war of statements against the Romanian leadership. The results of the 1992 local and parliamentary elections (in the local governments, 178 Hungarian mayors, 52 vice mayors, 148 county councilmen; in the house of representatives, 27 out of 341 seats, and in the senate, 12 out of 143) strengthened the union which in turn fought much harder for autonomy and the freedom of education. The famous Kolozsvar Statement was born in October; it declared, on the one hand, that Hungarians were a factor in the state as "a partner of the Romanian nation possessing equal rights," and on the other, that they had the right to self-determination.

At the 1993 Brasov conference the RMDSZ not only changed leaders—the centrist Bela Marko became the new chairman—but its structure, as well: The essence of the "local government model" was to construct the union analogously to a state, with every Hungarian as a "citizen," and with legislative organs similar to those of a state. The National Council of Delegates [KOT] was replaced by the Council of Federal Delegates [SZKT], the 138 members of which were no longer regional delegates but the delegates of the "platforms" and organizations within the RMDSZ.

This "trick" helped achieve the expression of political differences and group interests without bursting the framework which allows a unified representation on the political scene in Bucharest. Within the RMDSZ there are two small parties (the Christian Democratic Party and the Smallholders), and four larger platforms (the Liberal Circle, in line with the Association of Free Democrats [SZDSZ] in Hungary, the national-liberal Reform Alliance, comparable to the Alliance of Young Democrats [FIDESZ] of Hungary, the Social Democratic New Left, composed mostly of former Communists, and the Transylvanian Hungarian Initiative, based in East Transylvania, which prefers radical autonomy, as well as regional platforms (Dispersed Group, Partium Fraction). Regardless of parties and platforms, the greatest conflict within the RMDSZ is between the moderates and the radicals: The former are more inclined to bargain with Bucharest—certain representatives even in secret—while the latter loudly demand their minority rights.

If an outsider heard the discussions of the SZKT sessions, stretching well into the night and increasing in rudeness, he might think that the RMDSZ would fall apart any time. The politicians within the union are not afraid of that: In a situation of danger, the platforms immediately join in the common cause, even if they have completely different opinions of the solution.

The Independent Hungarian Initiative [FMK] of Slovakia was formed one month before the inception of the RMDSZ, in reaction to the 1989 "velvet revolution" in Prague. The organization regards itself as the legal successor of the Legal Defense Committee of the Hungarian Minority in Czechoslovakia, and defines itself as "liberal humanist," having propagated a decidedly good relationship with the organization at the head of the democratic changes in Slovakia, Public Against Violence [VPN in Slovak]. The FMK demanded collective rights, and a "multicultural ministry" on the federal level, thinking that if it marches together with the Czechoslovak liberals, the increasing democratization will solve minority problems.

Miklos Duray, a political personality who had experienced the Communist prisons and had left for the U.S., first wanted to convince the leaders of the FMK that "the Hungarians in Slovakia need unified and independent politics, and once we have created that, we can decide with whom we want to and can engage in politics together." Since he did not succeed in having his opinion accepted, in February 1990 he established the Coexistence Political Movement which demanded for the Hungarian minority special parliamentary representation, and educational and cultural autonomy.

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The first call to establish Hungarian Christian Democratic Clubs in Slovakia did not mention the issue of Hungarian minorities, only social and ideological issues. In January 1990, when the participants of these clubs—primarily Kalman Janics, a doctor and writer of works on history—decided not to make common cause with the Slovak Christian Democrats, rather establish the Hungarian Christian Democratic Movement [MKDM], they stressed that they were not establishing a party. Before the first free elections the FMK rejected the establishment of a unified Hungarian force—because this would have meant giving up its positions—and ran its candidates on the slates of the VPN. The Coexistence entered into an election agreement with the MKDM. Representatives of all three forces were elected into the Prague federal assembly and the Bratislava Slovak national council: Most votes were cast for Coexistence, which is comparable to the Hungarian Democratic Forum [MDF]; the MKDM, which is friendly with the Hungarian Christian Democrats, fell behind somewhat, while the FMK, with its close relations with the SZDSZ and FIDESZ, fell greatly behind.

The FMK was part of the Cic government, the first Meciar government, and the Carnogursky government; then, in 1992, despite having been renamed Hungarian Civic Party [MPP], it received only 2.3 percent in the election and for two years it even had to leave the parliament. The Coexistence-MKDM coalition was in the opposition during three Meciar governments; it "constructively" cooperated with the Carnogursky government; in the 1992 elections it received 7.4 percent, and it directly supported Moravcik's cabinet, albeit still from the outside. Since the June 1992 elections, the government and the parliament has had no Hungarian vice president, and since the establishment of an independent Slovakia in 1993, except for the time of the short-lived Moravcik government, there has not only not been any dialogue on issues, but there has actually been no dialogue at all between the government and the Hungarian parties. The MPP which was relegated to the periphery after the 1994 election was forced to cooperate with the others; the thus formed tripartite Hungarian Coalition received 10.2 percent, so that of all the "Hungarian votes" 46 percent went to Coexistence led by Miklos Duray, 44 percent to the MKDM led by Bela Bugar, and 9 percent to the MPP led by Laszlo A. Nagy.

In Voivodina currently four Hungarian political organizations are active, but only two of them—the Democratic Community of Voivodina Hungarians [VMDK] and the Hungarian Association of Voivodina [VMSZ]—have noticeable influence. The VMDK, established in March 1990 in Doroslovo [Doroszlo], was able to send 9 representatives to the Serb parliament, and 3 to the still "great" Yugoslav federal parliament, and at first was able to work under relatively calm circumstances. After the eruption of the Croatian and later the Bosnian war, the VMDK under the leadership of Andras Agoston undertook a great role in organizing protest actions against the mass draft of Hungarian youths (for instance, in Moravica and Oromhegyes) and in the distribution of aid shipments to Voivodina. By the beginning of 1994, the situation has improved considerably, and the easing of the pressure from the outside certainly had a role in the appearance of the first breaches in the VMDK. Because Agoston and the leaders close to him prevented the formation of budding "national liberal," "Christian democratic," "traditional," and regional platforms, some sort of split was unavoidable.

The bomb exploded when the national liberal Sandor Hodi was accused of embezzling several hundred thousand German marks from the moneys intended to aid the people of Voivodina. This is how the VMSZ was formed in June 1994, and a part of the VMDK leadership and almost the complete camp of the mayors of Voivodina Hungarian local governments joined it. The latter had frequently attacked the economic policies of the VMDK; they especially protested that the organization does not forward enough money to the local governments from the funds which it acquires through its foreign relations. (Last November Csubela died in a car accident; since then, the VMSZ has been led by Jozsef Kasza and Mihaly Szecsei.)

The relationship between the two organizations has been decidedly acrimonious since the split of the VMSZ, even though there are no irreconcilable differences between their programs. Both parties regard the creation of territorial autonomy the key to the survival of Hungarians in Voivodina (see our article [box below] on autonomy plans), but at the same time both acknowledge that in the near future only personal autonomy can be realized. Both the VMDK and the VMSZ promote the reform of the tax system in a way which would leave a considerable portion of taxes with the local governments; they also support Hungarian control of schools, and the establishment of Hungarian as one of the official languages in addition to Serbian in areas with a large Hungarian population.

Of course, there are differences of opinion, as well. While the VMDK counts primarily on the help of the international community to represent the interests of the Hungarian minority, according to the VMSZ, events in the recent past do not demonstrate that the great powers are willing to stand up for the interests of Hungarians in Voivodina. Therefore the VMSZ considers discussion and bargaining with the Serbian government a viable

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alternative, as it appears from the document recently passed by the executive committee of the VMSZ called "Draft Agreement on the Foundation of the Self-Organization of Hungarians in Voivodina." The two organizations are unwilling to make peace despite encouragement from Budapest, and there is little chance of the establishment of a Hungarian party coalition similar to the Hungarian Coalition in Slovakia before the election which is likely to be held in the fall. According to the official Hungarian opinion, Budapest does not distinguish between the two parties and supports both organizations.

[Box, pp 68-69]

Plans for Autonomy

The majority of Hungarian parties in the neighboring countries distinguishes between three forms of autonomy: personal, local, and regional. Personal autonomy means that the members—the Hungarians living in the country in question, regardless of whether they live in a block or dispersed—would elect for themselves a national autonomous government which would have the right to make certain decisions affecting the minority, for instance, determine the curriculum of Hungarian schools, and distribute the money for their support. Local autonomy would mean the local government of municipalities with a Hungarian majority: These administrative units, just like the local governments of the given country, would be able to pass local regulations, for instance, levy local taxes, or regulate the use of language. Regional autonomy could be created from several neighboring patches of local autonomy, and it would have an even larger sphere of authority in legislation and public administration.

This triple division is contained in several of the plans currently in circulation: that of Coexistence in Slovakia, of the VMDK, and the draft accepted as the basis for the plan to be developed by the RMDSZ. The VMSZ only developed the segments concerning personal and regional autonomy. Incidentally, only the two Hungarian organizations in Voivodina have an accepted and documented autonomy concept: The ideas of the RMDSZ and the Hungarian organizations in Slovakia have so far only appeared in sweeping political declarations and in the details of bills not directly dealing with autonomy.

The VMDK prepared its first concept in 1992. The Hungarian Autonomous Region included in this concept would have had its own parliament and an actual government called Regional Council, with a president at its head. The South Slavonic war, the lack of international support for the efforts to achieve autonomy for minorities, and the fact that the developer of the concept, Sandor Hodi, has left the VMDK and assisted in creating the VMSZ, prompted the VMDK to develop a new plan. This was prepared in 1995 by a group of experts led by former Hungarian cultural minister Ferenc Glatz.

According to the new plan, the autonomy of the Hungarian minority would be based on personal autonomy: People who declare themselves as Hungarians, or rather those who register as voters, would elect the Assembly of Voivodina Hungarians. This body would elect the Personal Autonomy Council, and that, in turn, would elect the Political Council which would be the partner of communication with the Serb government in matters concerning Hungarians. For people living in dispersed groups, local, municipal autonomy would guarantee cultural and educational rights. Those who live in large blocks would enjoy complete political, administrative, and cultural autonomy, and could establish the Hungarian Autonomous Region. How that region would be governed would be decided by bargaining with the Serb government, according to the draft, and therefore it does not clarify the exact role of and relationship among the leading bodies of the personal and regional autonomies.

The VMSZ published its ideas of autonomy in January of this year. These ideas include personal autonomy, but no register of voters; according to the plan, the Political Council of the autonomy would be composed of Hungarian representatives elected in the parliamentary elections of the Small Yugoslav federal elections and the Voivodina provincial parliamentary elections, as well as the delegates of Hungarian local governments. In the long run, the VMSZ also considers it feasible for the bodies of autonomy to be created by direct elections. Concerning regional autonomy, the VMSZ envisions a so-called regional autonomous government which would have an influence not only on cultural and educational issues, but could also—if the parliament of the republic agrees—appoint and discharge regional leaders of state organizations.

The basic principles of the autonomy of the Hungarians in Slovakia were formulated and accepted by leaders of Hungarian local governments and parliamentary representatives at the January 1994 Komarom congress. Somewhat more concrete than this statement is a 1994 February bill of the Coexistence Movement "on the legal status of Slovak national and ethnic communities and minorities," according to which in the areas where the proportion of minorities reaches 10 percent, local minority governments could be established, and in municipalities with a preponderance of minorities, which would have a "distinctive legal status," the local government could make independent decisions on issues

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important "for the preservation and development of the identity of persons who live in the given municipality and belong to the national community." Municipalities with a distinctive legal status could constitute the region of regional autonomy. The local government of the autonomy would have the right to levy taxes, and the personal composition of administrative and judicial organs would depend on its approval.

The RMDSZ has already sketched its ideas in the 1992 Kolozsvar declaration and in a 1993 bill, but it decided only in January of this year to develop a detailed concept which could be officially accepted. This does not yet mean the concept itself, only that Senator Jozsef Csapo who signed the 1993 bill was requested to prepare a working document. Of this so much is already known that it is based on personal autonomy, for the establishment of which an internal election should be held among Hungarians in Romania. The RMDSZ has been planning this for a long time, but so far not even the registration of Hungarians in Romania is advanced sufficiently; many people hinder the work even within the organization, and there is no agreement yet on an election model.

Based on the Csapo sketch, the national government organ of the Hungarian ethnic group, the Council of Representatives, would be created by the votes of people who confirm their Hungarian identity through a voluntary registration. According to the draft, in municipalities with a Hungarian majority, Hungarian would become a "second official language." The RMDSZ has plans to develop the final concept by May with the cooperation of experts from the European Council. Jozsef Csapo prepared a concept of regional autonomy, as well, but the RMDSZ has not yet discussed it officially, and in view of the local and parliamentary elections planned for the fall, it is not even expected to do so.

Hungary: Rules on Credit Banking, Securities Trading Viewed

96CH0054A Budapest FIGYELO in Hungarian 25 Jan 96 pp 34-35

[Article by Karoly Csabai: "A Community of Beliefs"]

[FBIS Translated Text] *If nothing happens in the meantime, on 1 February the government will finally give its blessings to two draft bills: the credit institutions bill and the securities trading bill. This cautious wording is highly warranted. For when the cabinet considered the main points of the two bills on 11 January, it adopted a decision that has surprised even the experts—namely, to merge the State Banking Inspectorate, the State Securities Commission, and the State Insurance Inspectorate.*

Already the name of the proposed law was no simple task. There was no argument (and there could not have been any) over the need to abandon the term Financial Institutions as used in the name of the bill's "predecessor" [the Financial Institutions Law] in the statute books. Because in the member countries of the European Union (EU), which Hungary hopes to join, this term defines financial businesses able to offer a much narrower range of financial services than what banks provide. But opinions were divided on whether to call the law simply the Banking Law, in accordance with the custom in some Western European countries, or to christen the "infant" the Credit Institutions Law, which reflects somewhat better the law's essence. What decided in favor of this latter version in the end was the fact that there are credit institutions in the EU countries, and this is the term recommended in the EU norms as well.

Of course, this does not mean that we will not be going to the banks also in the future to attend to matters pertaining to our current accounts. For banks will remain the most advanced form of credit institution, and henceforth one will need 2 billion forints [Ft] to open a bank, rather than the one billion at present. The smallest amount of subscribed capital needed to open a specialized credit institution, which is to inherit the place of the present specialized financial institution, will likewise double to Ft1 billion, from Ft500 million at present.

One does not need special associative ability to figure out the definition of the credit union, another term unfamiliar in our country up to now. To find the solution, it will suffice to look up the chapter on cooperative credit associations and cooperative savings association, in the Financial Institutions Law now in force. That will immediately make understandable this generic term, which the bill's drafters intended to be "a multiple of the smallest cooperative." Incidentally, this generic term also has a familiar ring to it in EU countries. Anyone wishing to launch such a formation will need to have a subscribed capital of at least Ft100 million. Businesses providing supplementary financial services will include primarily firms that exchange currency. Such firms may be founded with as little as Ft20 million.

To complete this refining of concepts, we have to mention the financial institution as yet another novel category; but it is more than a simple renaming, for the following reason. According to the Financial Institutions Law or the Securities Trading Law now in force, for instance, a leasing or a factoring company could operate even a chicken farm as a "sideline." But according to the credit institutions bill, the company

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will have to support itself, solely and exclusively, by its "eponymous" activity.

It follows from the legislative bill's essence and intent that the financial institutions reclassified as credit institutions may offer any and all financial services enumerated in the bill. But financial businesses (in other words, as we have already mentioned, financial institutions in the Western European sense, rather than in their present Hungarian sense) may not accept deposits or other returnable funds from the public; may not offer money-transfer services; may not provide bank guarantees or stand surety; may not rent safe-deposit boxes or maintain escrow accounts; may not sell or buy stakes in existing or new businesses. Furthermore, they may not engage in consulting businesses on matters pertaining to their capital structure, business strategy or reorganization (mergers and acquisitions).

The rules on ownership interest in the financial sector have always been an interesting and colorful patch. The credit institutions bill is no different in this respect, especially as it tightens the restrictions contained in the Financial Institutions Law. Henceforth, no single shareholder—except in an incorporated insurance company, brokerage, credit institution, the National Deposit Insurance Fund (OBA), the Cooperative Savings Associations' National Institutional Protection Fund, and in voluntary deposit-insurance and institutional-protection funds—will be able to acquire a direct or indirect stake of more than 15 percent, or cast more than 15 percent of the vote, as opposed to the 25-percent limit at present. At the same time, it will be possible to dispose of the proportion of the shareholder's stake exceeding this limit, until 31 December 1998.

Naturally, the state, too, will get a transitional period during which to adapt (see box below). Moreover, if the state establishes—primarily through the State Privatization and Property Management Corporation—one or more credit institutions to provide specific financial services, it will be able to hold in them a stake larger than 15 percent.

Rather than to prepare for another round of consolidation, the experts believe that the bill's drafters mainly want to adopt Western European traditions with the provision that would enable the state, on the basis of the cabinet's decision, to acquire—for a transitional period of at most three years—a stake larger than 15 percent in a credit institution "whose insolvency would jeopardize respectively the economic interests of the country or one of its larger regions, and the banking system's reliable operation, provided no other reasonable solution was available for averting the danger of the given credit institution's insolvency or liquidation."

But we searched the bill in vain for rules governing the shareholdings of foreigners in banks. Yet, as we very well know, such rules are one of the most controversial parts of the Financial Institutions Law. It requires the government's advance approval in principle not only for the founding of partially or entirely foreign-owned financial institutions, but even for the acquisition of shares in a financial institution by a foreigner—except when the holdings of foreigners jointly do not exceed 10 percent of the given financial institution's subscribed capital. Besides making it more difficult to trade the shares of banks listed on the stock exchange, such discrimination is also viewed with disfavor by the OECD. After the Czech Republic's accession last year, Hungary has a very good chance of joining already in the first half of this year the economically most advanced countries belonging to this organization. It is no accident, therefore, that the bill's drafters have been careful not to restrict foreigners in the manner described above. But this leaves the question of how to interpret the cabinet's decision—likewise adopted at the cabinet meeting on 11 January, according to what FIGYELO has been told—to subject to licensing the acquisition of stakes larger than 10 percent in financial institutions?

Quite apart from all this, anyone wishing to increase or reduce his stake or vote in a financial institution to 15, 33, 50 or 75 percent of the total number of voting shares or vote, must obtain a license from the inspectorate.

There is nothing in the credit institutions bill about the ability of foreign banks to open branches, either. Yet this is one of the sensitive points in the OECD rules. But Finance Minister Lajos Bokros already explained this omission at the beginning of January (FIGYELO, No. 2/1996). He said that the government would request a two-year grace period from the date of our accession, so that the domestic credit institutions could prepare for the opening of branch offices by foreign banks.

The bill's drafters bore the customers' interest in mind when they enumerated in the bill the cases in which the licenses issued to credit institutions may be revoked. One such case occurs when there is danger that a credit institution might not be able to meet its obligations. For instance, when a financial institution's contingency reserve is no longer enough to satisfy all its creditors in full. A substantial decline of the contingency reserve may be inferred from the monthly reports that the financial institutions send to the inspectorate, the Hungarian National Bank, and the National Deposit Insurance Fund.

But as an expert whom we interviewed noted, something must be very wrong when the agencies concerned learn of ominous processes only from the mentioned

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documents. The regulations require the managers and auditors of credit institutions to report to the inspectorate without delay—within 24 or 48 hours—any problem they uncover. In addition, of course, the given bank's inspector must also be up-to-date on the bank's financial situation, and the best way of acquiring such information in depth is through inspections at the bank. Likewise in harmony with the EU norms are the provisions requiring the management to inform the inspectorate especially when the credit institution's cash reserve drops below 2 percent of deposits, or when a financial institution's net worth drops below the subscribed capital's required minimum.

The credit institution that gets into trouble must reckon with the fact that the inspectorate, besides revoking the institution's license, will simultaneously initiate also its liquidation. In the case of financial businesses shaken in the above manner, this sanction is eased in the sense that liquidation becomes merely a possibility. The reason behind this milder sanction is that, according to the credit institutions bill and contrary to the Financial Institutions Law now in force, such businesses are already barred from accumulating funds from outside sources, in excess of their own capital. Thus official intervention is not always necessary in the case of, say, a small leasing firm or a corporation with between Ft10-20 million of capital.

Incidentally, liquidations will be handled by a public-utility company founded jointly by the inspectorate and the National Deposit Insurance Fund, the OBA. As we have learned from experts, this company would be a so-called dormant institution. Which means that it would not have a permanent full-time staff of its own. Its employees would be working for it only when some financial institution got into trouble; when their work was done, they would go back to their "regular" jobs.

Although, according to the plans, the cabinet will give the credit institutions bill its blessings at the cabinet meeting on 1 February, a few days before that date there still were loose ends. One wonders how financial institutions will be supervised henceforth, since the 20 sections—some of them drafted in two versions—dealing with the future status, tasks and functions of the present State Banking Inspectorate have been rendered superfluous by the cabinet's decision on 11 January to merge this inspectorate with the State Securities Commission and the State Insurance Inspectorate. Anyhow, it is interesting—to put it mildly—that the unified financial supervision formed by this merger would be exercised by an agency responsible to the government, while the bill's original version referred to the State Banking Inspectorate as an agency responsible to the National Assembly. The makeup of this new agency is not yet known, since it is estimated that unified financial supervision could begin as of 1 January 1997 at the earliest. (Probably the formula devised for supervising the State Banking Inspectorate might apply: a Supervisory Board comprising, among others, the chairman of the State Banking Inspectorate and high-ranking officials of the Hungarian National Bank and the Ministry of Finance, with the State Banking Inspectorate's chairman or the Hungarian National Bank's president acting as board chairman.)

What should be the law's effective date, once the bill has been passed, is still being debated. The interested parties are in agreement that most provisions of the bill ought to be applicable as of next year. But it has yet to be decided whether the provisions concerning the National Deposit Insurance Fund, the accounting and auditing of financial institutions, and consumer protection should become effective simultaneously with the law's promulgation or 90 days thereafter. Likewise uncertain is the length of the exemption (one or two years) that financial institutions, already existing when the law becomes effective, should enjoy from compliance with regulations. The range of exempt regulations is still unclear (they will include, among others, the rules on minimum amounts of subscribed capital).

[Box, p 34]

Will the Privatization of Banks End in the Year 2000?

Determining the size of the state's stake in businesses always gives drafters of legislation the biggest headaches, because outsiders infer from it the government's intentions regarding privatization—that of banks, for instance. It will be remembered that, according to the Financial Institutions Law now in force, the 25-percent limit on a shareholder's stake in a financial institution does not apply to the state until 1 January 1997. However, the credit institutions bill, which tightens this limit to 15 percent, gives the state budget a similar exemption until January 2000. According to the logic mentioned in the introduction, therefore, that date may now be regarded as the (new) deadline for the privatization of banks. But then how should we regard the finance minister's statement that all banks will be in private hands by the time the requested two years of grace period, starting from our accession to the OECD, expire—probably by the middle of 1998?

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[Box, p 35]

Trading Government Securities on the Stock Exchange

Despite the fact that the Budapest Stock Exchange had decided already last summer to partially readmit banks to its government-securities and futures-and-options sections, which were to be formed later, the [securities trading] bill authorizes commercial institutions to trade, for their own account or as brokers, only in futures and options. But before anyone begins to suspect the persons concerned [the bill's drafters] of secret opposition, we hasten to report that, to our knowledge, one of the most important decisions at the cabinet meeting on 11 January was specifically to allow banks to trade in government securities.

Hungary: Police Call for Money-Laundering Investigation

AU1604131196 Budapest NEPSZABADSAG in Hungarian 15 Apr 96 p 1

[Unattributed report: "Cocaine Dollars in Hungarian Banks?"]

[FBIS Translated Text] For the first time, the National Police Headquarters [ORFK] has ordered an investigation on well-grounded suspicion of money laundering. Colonel Erno Kiss, head of the ORFK's Department of Economic Protection, told NEPSZABADSAG that still unknown persons ran some $100,000 through U.S., Russian, Lithuanian, and Hungarian banks, probably in order to make it impossible to identify the origin of the funds.

According to Erno Kiss, Hungary's geographic position and its developed banking system are attracting criminals involved in money laundering. Since the legislation of the law on money laundering, the Hungarian banks have informed the police on 1,500 cases of suspicious bank transactions. Two-thirds of these reports affected domestic entrepreneurs and private persons, and 500 reports affected foreigners, primarily ventures registered in Arab countries, Russia, and China, as well as persons carrying passports of the aforementioned countries.

Out of the 1,500 reports, the police only found slightly more than half worth investigating more closely. However, sufficient information to start criminal proceedings has only been gathered in one case. Erno Kiss only said that unknown persons ran $100,000 through U.S., Lithuanian, Russian, and Hungarian banks in the course of a few days. The police expects to also find Hungarian suspects in the case.

In a short time, this was the second money laundering case that the authorities had well-grounded reasons to believe that Hungarian banks were used to launder money originating from various criminal activities. Recently, the police found out that money transferred from Columbia to Florida and then to European banks—including two Hungarian banks—was the money of drug producers in Columbia. After several years of investigation in the framework of international police cooperation, the case was cracked by the Luxembourg police. The organization kept a total of $2.5 million in two Hungarian banks for months, banks that the police refused to name.

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B-H: IFOR: Sides 'Struggling' To Meet Weapons Deadline

AU1504132596 Paris AFP in English 1314 GMT 15 Apr 96

[Report by Peter Cunliffe-Jones]

[FBIS Transcribed Text] Sarajevo, April 15 (AFP)—Bosnia's three former warring forces are struggling to comply with a Thursday deadline to withdraw troops and lock up hundreds of heavy weapons, an IFOR spokesman said Monday.

The ongoing movement of thousands of men and hundreds of weapons from the former battlefield to newly designated barracks is unlikely to be completed by midnight Thursday, Major Simon Haselock, spokesman for the NATO-led Implementation Force (IFOR), admitted.

The demobilisation of reserve troops, the return to barracks of regular forces and the cantonment of heavy weapons "has definitely begun in earnest," he said.

But it is a "massive task...from an organisational point of view...and it is quite likely we will go beyond" the deadline set by negotiators last year, he said.

According to IFOR figures there were some 300,000 troops fighting in Bosnia at the height of the Bosnian war.

Around half of these are reservists to be demobilised while the remainder are returned to approved barracks, German IFOR Lieutenant Colonel Hermann Beckmann said.

So far, the former warring parties have proposed some 800 sites as future barracks and IFOR has given approval for several dozen. Under the rules set out by IFOR, the new barracks cannot be placed within the neutral "zone of separation" between the Moslem-Croat Federation and the Republika Srpska or at sites where they could appear to give one side or another strategic advantage, Beckmann explained.

"The whole idea is to lessen the threat of any renewed fighting, any renewed threat," he said.

The NATO-led force will not discuss exact figures for the different forces but according to a study of the London-based International Institute for Strategic Studies (IISS), the Bosnian Army at the height of the war had some 192,000 men under arms, facing 75,000 more heavily armed Bosnian Serbs and around 50,000 Bosnian Croats.

Western and Bosnian military sources said Monday that after demobilisation, the Bosnian army will drop in size to around 50,000 to 60,000 men, but refused to give more exact figures.

The demobilsation of soldiers is expected to become an issue in Bosnia's election campaign, which kicked off Sunday with a rally of the ruling Moslem Democratic Action Party (SDA).

Such a massive demobilisation on all sides of the former front lines has major economic and social implications in a country where three out of four people are already unemployed, the top civilian official for Bosnia, Carl Bildt, warned last week.

As well as requiring a demobilisation of soldiers, IFOR Brigadier Andrew Cumming warned last week that all the former warring factions have on occasion provided false figures on the number of heavy weapons they had around the country.

IFOR estimates there are around 750 to 800 tanks, 1,300 artillery pieces, 145 multiple-barrel pieces and several thousand mortars, and Haselock warned Monday that "weapons which we consider are being concealed will be confiscated."

After demobilisation and withdrawal to barracks, the former forces will still be allowed to "carry out the legitimate activities of a peacetime army," including weapons and troop training if they first obtain IFOR approval, Haselock said.

The demilitarisation moves mark "the transition from a wartime to a peacetime footing" in Bosnia, the spokesman said.

B-H: IFOR Says 150,000 Soldiers To Be Demobilized

AU1504161396 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 15 Apr 96

[FBIS Translated Text] Of the approximately 300,000 soldiers who fought in Bosnia-Herzegovina during the Serb aggression, one-half will have to be demobilized, IFOR [Implementation Force] spokesman (Herman Beckmann) said in Sarajevo today. He also added that there are 750-800 tanks, 1,300 artillery pieces, 145 multiple rocket launchers, and more than 3,500 mortars in Bosnia-Herzegovina. There should be no barracks or military centers within the border zones between entities, the spokesman said. The sides in Bosnia-Herzegovina have reported approximately 800 arms depots to the international police and IFOR. The action of removing (?troops) and heavy artillery has been going on for one month and is still under way. (?All) soldiers should be at the barracks.

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B-H: Soldiers Begin Receiving Compensation Coupon Booklets

AU1504122996 Paris AFP in English 1203 GMT 15 Apr 96

[FBIS Transcribed Text] Sarajevo, April 15 (AFP)—Bosnia was to celebrate its "army day" Monday with a handout of pay coupons to soldiers as NATO troops continued to monitor the locking up of heavy weapons ahead of a Thursday deadline.

The Bosnian Defence Ministry said some 1,500 to 2,000 "savings books" would be handed over midday Monday to a first group of soldiers, war invalids, and members of bereaved families, packed with monthly coupons equivalent to their wages left unpaid during the nearly four-year war.

In coming weeks and months another 2,000 to 3,000 "savings books" will be handed out daily, the ministry said.

Soldiers will not be able now to spend the coupons, equivalent to 400 to 600 marks for each month of the war.

But they "will hopefully be able to use their books from next month to start paying for water, electricity, telephones and rent," Deputy Defence Minister Hasan Cengic told the Bosnian daily OSLOBODJENJE Monday.

The settling of the Bosnian government's debt with its estimated 200,000 soldiers is expected to be a major issue in Bosnia's election campaign which officially began Sunday with a rally of the ruling Moslem Democratic Action Party (SDA) of President Alija Izetbegovic.

Izetbegovic told the rally in a football stadium in Zenica, central Bosnia, the SDA would "fight for jobs and income for the soldiers and war wounded."

The demobilisation of soldiers is one of the prerequisites of the peace process but also a complex political and logisitical task for the government.

Time is pressing, however, since not only does the government have no money to pay soldiers wages, but the longer soldiers stay in the army, the longer before they can start going out and earning money to keep themselves.

International donors in Brussels agreed Saturday to provide 1.8 billion dollars in reconstruction aid for Bosnia this year.

But reconstruction experts here admit little can be done without the manpower provided by soldiers still currently in the army.

Alongside the ongoing demobilisation, the commanders of the Bosnian government, Bosnian Croat and Bosnian Serb forces are expected in the next few days to lock up their heavy weapons in agreed cantonment sites to be monitored by the NATO-led Implementation Force (IFOR).

The deadline for the lock-up—the next key stage in the Bosnian peace process—is midnight Thursday and an IFOR spokesman said Monday all parties appeared "a little late" on the deadline but were making progress towards meeting it.

B-H: U.S. Warnings To Sever Ties to Iran Analyzed

LD1204125096 Belgrade TANJUG in English 1236 GMT 12 Apr 96

["Pool" item by Sretan Petrovic: "Iran-United States-Bosnia According to Velayati, Bosnia According to Clinton..."]

[FBIS Transcribed Text] Belgrade, April 12 (TANJUG)—Despite intensified U.S. pressure and repeated U.S. warnings to the Muslim government in Bosnia to sever ties with the Islamic Republic of Iran, the Bosnian Muslims are persistently strengthening relations with the Iranian Government.

Tehran seems to be provoking the U.S. Administration which is sending to the Muslim government in Bosnia written and verbal messages of threatening content. Iranian Foreign Minister 'Ali Akbar Velayati said Thursday that "the relations of the Islamic Republic with the government in Bosnia are intensified despite U.S. pressure."

On return from a two-day visit to Sarajevo, Velayati told the Iranian News Agency (IRNA) that Iran had opened in Sarajevo a center for the reconstruction of Bosnia and a cultural center.

Velayati is making public promises that the Islamic Republic of Iran will continue to support and assist the government and people in Bosnia during the period of reconstruction, "just as it had done during the war."

Velayati has finally admitted, though indirectly, what was recently discovered by Clinton's political opponents and published by THE LOS ANGELES TIMES. The Islamic Republic of Iran has, with the approval of the Clinton administration, been secretly sending arms to Muslims in Bosnia since January 1994 up to the beginning of this year. After the arrival of NATO forces, Iranian presence in Bosnia has become dangerous for Clinton's policy, and U.S. troops.

Bosnia, according to Velayati, and not only according to him, must be an Islamic state. He claims that Islamic

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countries are ready to "help strengthen militarily the defense of Bosnia."

B-H: Iranian Ambassador Assesses Relations

AU1504180896 Sarajevo DANI in Serbo-Croatian Apr 96 pp 6-9

[Interview with Mohammad Ebrahim Taherian, Iranian ambassador to Bosnia-Herzegovina, by Senad Pecanin; place and date not given: "Taherian"]

[FBIS Translated Excerpt] [Pecanin] Mr. Ambassador, what is your opinion about the present relations between Iran and Bosnia-Herzegovina?

[Taherian] I would like, first of all, to salute your readership, and I want to wish them a lot of success in the newly arisen situation. Over the last hard years, we have considered it to be our honor to be with this people. We have been witnesses of a heavy aggression committed against this nation. We have always had very good relations with the officials of this country and with the people of this country. And we have always been welcomed warmly. There are possibilities of the realization of good relations at the highest level between the two countries. On the occasion of the visit of the Bosnia-Herzegovina prime minister to our country, one meeting was held with the president of our republic, and he confirmed once again that we were ready to stay with this people. In one word, so far, we have had very good relations, and God willing, it will be so in the future, too.

The United States Will Make a Mistake

[Pecanin] Are you informed about the pressures put upon the Bosnian leadership by the U.S. Government precisely because of such close cooperation with Iran?

[Taherian] It is absolutely certain that no country, even if it is the United States, should allow itself to put pressure upon Bosnia-Herzegovina, because Bosnia-Herzegovina is an unusual country. It has its rights, which have been recognized internationally, and if it is in a difficult situation now, nobody should abuse its position in order to impose their own opinion. In fact, nobody has the right to impose their own opinion and their own interests upon Bosnia. One must never forget that it is a nation that has fought courageously and honorably during the last four years and defended its rights. Of course, the United States will make a mistake if it plans to make such a program. Therefore, it is enough to look back in time a bit and see how these people behaved. If they have really come to help, this people will welcome them, just like they have welcomed us. The United States has no right to impose anything, and I think that this people will not accept something like that. And all the forces here are the Implementation Force, the force for the implementation of peace. Certainly, they have to be careful to carry out their task well and not to create some other opinion among the people. Because, if something like that would happen, problems would certainly appear.

And, as far as we are concerned, over the last four years, we have never talked about differences here. We hope that everybody else will also respect this principle, because the Bosnia-Herzegovina people have enough of their own problems. Everybody who has come here to help or has come here to ease the pain of the Bosnia-Herzegovina people should take care of that and not pay attention to some unimportant questions. In the past period, we have respected this principle, and we hope that everybody else will respect it. If not, then they will soon understand the damage that is caused. For 17 years, we have been finding ways to survive the pressures. The organization in our country exists, it is quite good, and, therefore, in that sense, we are not afraid at all, although we are ready to have good relations with all the official governments of all countries.

[Pecanin] President Izetbegovic often used to say that Bosnia is unique also because it had succeeded in reconciling itself with Israel and the Arabs, Iran and the United States. Do you think that this is over and that it is impossible that the conflicts between Iran and the United States will remain outside the borders of Bosnia-Herzegovina?

[Taherian] First of all, I wish to say that, God willing, I wish that Mr. Izetbegovic will recuperate from his illness as soon as possible, to get back to his job. Mr. Alija Izetbegovic, regarding his decades of experience, is certainly a very important personality. He has got a high capacity, that is clear. For us in Bosnia, the major question is—the question of Bosnia. When the point in question is our relations with the United States, our stands are clear. First of all, the Americans should express their good will. The United States is certainly a big world power, and we have no problems at all with the American people. But, certainly, the U.S. Government has made some mistakes in its relations with us, and it should correct those mistakes. I hope that, after 17 years, they have finally realized that we want to be on our own and independent. We want to have our own ideology. We expect mutual respect from the world, just as we say to everyone: welcome. In any case, everything is possible. But now, the most important thing is that the United States shows its good will, and the rest is none of my business.

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We Do Not Want To Impose Ourselves on You

[Pecanin] How much can and does Iran want to help Bosnia?

[Taherian] We want to help you as much as you want us to help you. We do not want to impose ourselves on you. If the Bosnia-Herzegovina people want it, we are ready, just as we have been so far, to help you strengthen the defense capability of this people. And now we are ready to do so in these new circumstances, so that the Paris agreement is implemented fully and correctly. That applies also to economic cooperation. Regarding the existing capacities, I think there are good preconditions for cooperation between our two countries. On the occasion of Mr. Muratovic's visit to Iran, we reached a comprehensive agreement that involves a joint bank, the establishment of a foundation for the religious fighters and invalids, and an organized investment intended for the demobilized fighters. Also, we plan to open an office of the Islamic Republic of Iran for reconstruction, and we hope that we will, in line with our agreement reached on the occasion of Mr. Muratovic's visit to Tehran, God willing, extend the things that were started in the past into serious cooperation. There are many areas in which cooperation is possible and desirable. That means that we are not talking only about the improvement of the relations we have built over the last four years, but that we are thinking of the existence of good relations that existed between the Islamic Republic of Iran and former Yugoslavia.

[Pecanin] Bearing in mind the sensitivity of the subject and of the time at which we are talking, do you not think that it would be useful if all the layers of the Bosnia-Herzegovina nation should be informed about everything Iran has done for the survival of Bosnia?

[Taherian] We have never helped here with the intention of drawing up a list of everything we had done here and then presenting it with the expectation of something in return. This is, in general, one Islamic principle: The help you offer to someone, as much as you can, is offered in order to achieve God's satisfaction. You see, perhaps some people who are not sufficiently informed about our ideology will not at all understand this kind of conversation, what we are talking about right now. In any case, we thought it was our duty to do what we have done. We had to help a nation that had started to fight in order to defend its rights, without any calculations or future interests. Any country, any government that did not help this nation in such circumstances certainly did not answer a challenge, a moment in history, its own ideology, or its convictions. What happened in Srebrenica and Zepa? Who is responsible for that? And all that happened before the eyes of the international forces in the heart of Europe. We are not talking about distant Asia, the Far East, or Africa. From here to any capital in Europe there is less than a two-hour flight. And what happened here? Those who have done nothing, who have passed by in silence, was responsible. This is my personal opinion. Everyone who remained silent then was an accomplice in this crime. And therefore we think that we have done what our religion and our conviction demands of us. Those who have done nothing should answer.

Recognizable Cliche

[Pecanin] Over the last couple of days, many Western media, referring to diplomatic sources in Tehran, have reported that there are many Bosnian soldiers and officers in training in Iran. Is that true?

[Taherian] And that there is a number of Iranian soldiers here?

[Pecanin] Yes, that is the next question.

[Taherian] That has already become a recognizable cliche. This is something that repeats itself. We have expressed our readiness to send 10,000 troops under UN command for peacekeeping purposes. If the Bosnia-Herzegovina Government asked that of us, we would be ready to respond to that request. But, so far, they have never asked that of us, because there are enough young, brave men who have defended their country. If we had soldiers here, we would have certainly made that public, and we would have considered that to be an honor. But nobody has ever asked anything like that of us. Nor has anybody asked to send soldiers and officers to Tehran for military training. And we are ready, always, whenever they would want like, to accept them in Tehran for military training. But that is only the surface of this question. There is something very delicate, very subtle. What does it mean, at all, to discuss such questions in such circumstances? It is an offense to the Bosnia-Herzegovina people who have sacrificed their sehids [self-sacrificing Islamic fighters] and who have shed their blood. This is a way of humiliating the morale of this nation. Let us presume that, during the war, there were 200 volunteers from the Islamic countries, and even 500, or even 2,000 would represent only a drop in the ocean of an army consisting of 200,000 men. The Bosnia-Herzegovina Army was the one that defended the rights of these men, women, and children. I think that the consideration of such questions has, in fact, some other objectives. One of those objectives is to tell the people of Bosnia-Herzegovina: "You were not the ones who fought." But, of course, there are some other questions. The world has been informed and has information about the

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number of mercenaries from other places who joined the various sides in this conflict, how many mercenaries came to help the aggressor. Why don't they publish this information, why don't they talk about that? And the third objective is: Some countries have been trying to find an excuse to avoid their obligations by discussing such questions.

[Pecanin] Foreign journalist often ask me about something that I will ask you now, as a person who has been living in Sarajevo for four years: Can you see a process of Islamization?

[Taherian] Mr. Pecanin, many very delicate questions have been considered very carefully. The world propaganda has been posing some questions in a very subtle way. What exactly does it mean, the Islamization? Islam, or any part of the culture of this nation, is not something recent. It has been present here, on this soil, for 500 years. That is a culture that is unique to Bosnia, that is not modeled on any other ideal. Just as you are in Europe and are the Bosniaks in Europe, just as you belong geographically to this region, just as you have your own culture and your history, so we have our culture and our history, and our brother Arabs have their culture and tradition. Therefore, there is a process that some people have noticed. Left alone by Europe, the Bosnia-Herzegovina people relied more upon its own culture and history. But when one says Islamization, then this term is associated with some other meanings. Thus, one, in fact, wants to say that you have been taking something else, or somebody else, as your ideal. Some time ago, one of the gentlemen here said that Sarajevo would never be Tehran. And it is absolutely sure that Sarajevo should remain Sarajevo. It should not be Tehran or any other town in the world, because this nation has a sufficiently long history and a sufficiently long tradition. This nation will know how to preserve its roots. Therefore, the people do not pay attention at all to things one wants to impose on them. The former regime, which reigned in this region for 70 years and which did not allow freedom of speech, was not able to destroy the roots of these people. What I can see, is that the Bosnia-Herzegovina nation stays true to its history and culture and that it considers them to be its honor. Here is one more piece of information about that Islamization. As long as I have been here, over the last four to five years, not one single mosque has been built. But 1,000 mosques have been destroyed. Now it is your turn to guess what that means.

Only All Together

[Pecanin] Many foreigners often ask me which political forces or political personalities among the Bosniaks enjoy the greatest support from Iran? One can see very easily who among the Bosniaks are supported by the West. Are there any Iranian favorites among the Bosniaks?

[Taherian] Yes. It is very confidential, but I will tell you. The subject of our interest is Bosnia-Herzegovina. Let us get back to the previous question. What is being done now represents the division of these people. The only way to save Bosnia is to make them all stay together. Those who ask such questions reveal the way they think. Those who are real friends of the people should work so that they are all together. In our country, what we are interested in is the maintenance of the integrity of the state, and we will try to help you in your efforts. The Bosnia-Herzegovina people are an educated, highly informed society. You have a high percentage of educated people, and they understand these questions well.

I would like to tell you, as your younger brother: The only way for you to survive is to stay together. There is no other way. Distance, divisions, the creation of differences, that is something that represents the humiliation of the blood that the young people shed for the welfare of their country. [passage omitted]

Islamic Law Is Islamic Jurisprudence [Fatwah Is Fiqh]

[Pecanin] We have witnessed the fierce Western pressure on the Iranian Government because of the latest Hamas actions. Can you give us your opinion about that question?

[Taherian] Mr. Pecanin, you want us to discuss all the current world issues. We are the greatest victim of terrorism in the world. There was assassination attempt against our president and against our prime minister. More than 70 people, the president of the Assembly and our officials, were killed in one place. There, where our present leader was supposed to give a speech, explosives had been set in a microphone, and he was wounded. His hand and face were injured. God wanted him to stay alive. They have tried to assassinate our president of the Republic, and on that occasion he was wounded, but God wanted him to stay alive. You see, we are the greatest victim of terrorism. Our passenger plane was shot down. Perhaps we are the ones who should condemn terrorism in the world, and we condemn any form and any kind of terrorism. This is something far more extensive. Our ideology, our god, our messiah, and our book do not allow us to commit terrorism. We are the ones who advocate human rights. That is what our ideology—Islam—demands from us.

There is a very complicated situation. There are 1 million refugees, and they certainly do not have their

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rights. There are Christians, Jews, and Muslims. One must find a solution for a peaceful life here, a solution that will observe everybody's rights. Certainly, racism cannot be a solution. Terrorism and the murder of innocent people should be condemned and cannot be justified at all. At least that is what we the Muslims think about it. It is something else that millions have become refugees. They do not have accommodation, and one should think about them. It seems to me that, by one kind of propaganda, that is, by a propaganda bombardment, those issues get mixed and everything gets disturbed. And regarding what they have been saying about us—which has never been documented and will certainly be proved to be untruths and lies in the future—this is something that has already become a cliche and something that has been talked about since long time ago. When something happens, since they cannot remove the cause, they try to find an excuse, so as to justify themselves before the public. And they always need a scapegoat for that.

B-H: EBRD Admits Bosnia as 60th Member

AU1604103096 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 16 Apr 96

[FBIS Translated Text] Bosnia-Herzegovina has become the 60th member of the European Bank for Reconstruction and Development [EBRD]. This was decided unanimously at yesterday's annual assembly in Sofia. Bosnia-Herzegovina's membership, which was approved by all 59 member countries, will enable our country to use the financial aid of the EBRD.

B-H: Silajdzic on Party Policy, Contact With Serb 'Entity'

AU1504192096 Sarajevo VECERNJE NOVINE in Serbo-Croatian 15 Apr 96 p 10

[Interview with Haris Silajdzic, former prime minister of Bosnia-Herzegovina and leader of the Party for Bosnia-Herzegovina, by Sasa Rukavina; place and date not given: "On the Trail of a Bosnian Bosnia"]

[FBIS Translated Text] [Rukavina] The Declaration on Bosnia-Herzegovina has been described by our colleague Senad Avdic in the following manner: "Izetbegovic tells us about the kind of Bosnia that Silajdzic would like to create." How accurate is his comment?

[Silajdzic] At one moment, it was possible to sense that people no longer believed in the future of an integral Bosnia, and those were people abroad who, more or less, make decisions on the fate of Bosnia-Herzegovina. We know that extreme Serb circles want to divide Bosnia-Herzegovina, and such circles exist in the Croatian national body as well. The question is what, actually, the Bosniaks want, and what the so-called progressive democratic forces in Bosnia-Herzegovina want. The Declaration is the answer to this question. The most important thing at the moment is to preserve a unified Bosnia-Herzegovina, while, in the future, we shall be settling relations within it according to our own needs, and I hope we shall do so with the side that is now being called the other entity as well. It is important not to make any definitive moves that, in view of Bosnia's unnatural state of affairs, would be decisive for its integrity or sovereignty. We must not make any move that undermines that.

We Are a Party of Patriots

[Rukavina] What is your party about, and whom does it represent?

[Silajdzic] The Party for Bosnia-Herzegovina is a party of the middle line, of the political center. We believe this line reflects the political desires of the majority of people in Bosnia-Herzegovina, which are that Bosnia is not a place for either extreme-right or extreme-left parties and that it is possible to embark on a wide avenue leading toward a better future for Bosnia-Herzegovina. Our party is not a national party. I think this is the only possible way, because without the Serbs or the Croats there can be no unified Bosnia. Therefore, we say here that this is a party of all patriots who feel that Bosnia-Herzegovina is their fatherland.

[Rukavina] Do you have any concrete contacts with the other entity?

[Silajdzic] Yes, we do, but, for the time being, they are minor, initial contacts. However, I am convinced that the media will play a major role in that respect. Therefore, one ought to work so as to make it possible for the media to cover the entire Bosnia-Herzegovina, even if that meant a single channel that would enable people to be informed. In the other entity, people have been indoctrinated for years, and they are living in an environment that prevents them from learning what is happening here. Only by way of normal communication can the walls imposed by indoctrination be removed. I think this is possible, and there are much more people than is assumed who are for Bosnia-Herzegovina, for a peaceful and normal life, but they do not dare to say this aloud, for they are not living freely, and are not able to freely state their political opinion. The media may play a major role in this respect. There are people out there who are now trying to think normally, who are trying to express opinions that are different from those held by the authorities in their entity, but that is still very difficult.

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Branch Office in the Serb Entity

[Rukavina] Can your party be the political force that will establish itself in the Serb entity?

[Silajdzic] Of course, this is the Party for Bosnia-Herzegovina. That is to say, we shall be making efforts to open our branch office in the Serb entity. In order for our efforts to yield some result we have to create such an atmosphere. People ought to know that we are trying here to create the core of Bosnia-Herzegovina's reintegration, and not because of the majorization or minorization [as published] of some people. If the current fragmentation continues, that is, the disintegration of Bosnia-Herzegovina, we shall have, de facto, its division, which, de jure, no one would be able to overcome. We shall reach a stalemate that can only be resolved by war, which has proved to be the most deleterious way of dealing with things in this region. How to make people outside Bosnia-Herzegovina aware of the problem is a different problem.

[Rukavina] How far have you gone with establishing the association of democratic forces of Bosnia-Herzegovina and Croatia?

[Silajdzic] It is not an association, it is just about the cooperation of democratic forces. I think this will produce some effect. We shall have to cooperate on the basis of mutual respect of sovereignty, and this is the only possible way. Today, the integrity and sovereignty of Bosnia is being disregarded in that region [Croatia]. There are many examples, and I do not need to talk particularly about that. I believe that the majority of citizens in Croatia want normal economic cooperation with Bosnia. Croatia cannot prosper if Bosnia-Herzegovina does not, and vice versa, because we are too dependent on each other. I think that, in terms of our cooperation in the future, we shall be achieving much more, because in that respect we have not used all our potentials and opportunities. We still have a lot of unused potentials and opportunities, and just recall the visits to Malaysia and Pakistan, and suchlike. After that, instead of further making joint efforts, some individual visits followed that were not used in the best way. Believe me, those are markets that can absorb not only the economies of Bosnia-Herzegovina and Croatia, but much more.

Early for Allies

[Rukavina] Is this the right time for similar cooperation with Serbia and the FRY?

[Silajdzic] Such processes are rather stunted there, and I do not see a serious democratic front for Bosnia-Herzegovina. There are just individuals and groups of intellectuals. I am afraid that the lack of democracy is far more deep-rooted there, but this does not mean there is no hope.

[Rukavina] Will the Party for Bosnia-Herzegovina run in the elections in the Serbian entity as well?

[Silajdzic] In my opinion, yes. In accordance with the Dayton accord, and to the extent we are able to.

[Rukavina] Who are your greatest potential rivals and possible allies?

[Silajdzic] The most dangerous rivals? The media space, in which a lot has to be done to make it a democratic space as well. We still have the state-run media as a burden of the past, and the independent media are not working enough to create a democratic climate in which we would be able to present ourselves in an adequate manner. I can say that, basically, our platform is that of a Bosnian Bosnia, both in terms of what we are and what we ought to be. That is, a Bosnia of all of us, a Bosnia in which it is possible to turn toward Europe, adopt a modern system and democracy, at the same time keeping the properties that make us Bosnians and maintaining our tradition, and find a way of having and maintaining one's self in Bosnia.

[Rukavina] Allies?

[Silajdzic] It is still too early to talk about that....

B-H: Silajdzic Comments on New Party's Program

AU1204165496 Sarajevo FOCUS in Serbo-Croatian 4 Apr 96 pp 7-9

[Interview with Haris Silajdzic, former Bosnia-Herzegovina prime minister and leader of the Party for Bosnia-Herzegovina, by an unidentified correspondent in Sarajevo; date not given: "Those Who Say the Party for Bosnia-Herzegovina Threatens the Unity of the Bosniak People Are Underestimating the People Themselves"]

[FBIS Translated Excerpt] I spoke to Haris Silajdzic in his office located in the left Unis building at Marijin Dvor [in central Sarajevo]. Two offices, a reception room and the office of the Party for Bosnia-Herzegovina leader [Stranka za Bosnu i Hercegovinu—SBIH] are all the facilities that this potentially powerful Bosnia-Herzegovina party has. It seems that it wants its modesty to correspond with our social reality. The person to whom I spoke is a new Silajdzic. With a serious approach, without the media improvisation that he tended to have as prime minister, with a modesty that can charm people and great consideration for the person to whom he is speaking, this all presents a Silajdzic of quality. He naturally still kept some of the image that starts to work when his train of thought changes

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direction. Overall, it seems that this new Silajdzic is needed in Bosnia-Herzegovina. I would say that from a narcissistic prime minister there has evolved a rather likable opposition politician.

[FOCUS] Mr. Silajdzic, when will the constituent convention of your party take place?

[Silajdzic] The exact date has not yet been set, but it will be around 10 April.

[FOCUS] What will the party be called?

[Silajdzic] The Party for Bosnia-Herzegovina.

[FOCUS] Is this a fortunate name?

[Silajdzic] Well, I tend to say that this is a party that has lasted for 1,000 years. Ever since there was a Bosnia-Herzegovina and a struggle for Bosnia-Herzegovina, the party has existed.

[FOCUS] Why did you found the SBIH?

A New and Fresh Gathering

[Silajdzic] I believe that we are in a difficult situation. To be honest, I thought that the situation after Dayton would develop better. But at times I have thought that what has been happening now is more dangerous than what was happening during the war. In a way, the match that we won on the field is being lost in the changing-rooms, without us even knowing how. Therefore, there has been a greater fall after Dayton than I had expected. That is, a drop in the tone of the international community. A fall could have been expected from the international community, after all the energy that had been invested. However, not for such a long period of time or so deeper and deeper. The international community is simply following the path of least resistance, is letting things go, and this without being stopped. It seems that what is needed is a new and fresh gathering to put a stop to this. A national effort (in the western sense of the word) is needed to stop the destruction of Bosnia-Herzegovina. This is not only our problem, but also a problem of the region. The entire point is whether the international community will accept that peace in Europe depends on Bosnia-Herzegovina. It has been proven that Bosnia-Herzegovina itself, as it is, can cause a number of negative reactions. If it comes to a breakup of Bosnia-Herzegovina, in the place of a country, a black hole will be created, which will suck in all possibilities of dialogue and the preservation of peace in the region. If we keep the principle of ethnic division, it will not stop here. It will, with all its perils, most probably move south-east...

[FOCUS] The international community has brought forces into Bosnia-Herzegovina, invested considerable funds into the peace in Bosnia-Herzegovina. However, has it at the same time failed to stop the negative tendencies that are breaking up Bosnia-Herzegovina?

[Silajdzic] Everything that is now happening is the product of what has happened over the last four years. This is, therefore, the continuation of a series that we have already seen. The situation in Bosnia-Herzegovina is fragmentary: Sarajevo by itself, Mostar by itself, Brcko by itself, and so on. When seen from a bird's-eye view, there is no unity. No one has a complete view of events in Bosnia-Herzegovina. The international community does not have a strategy against the breakup of Bosnia-Herzegovina. Even if Bosnia-Herzegovina were to be silently divided, the international community would not oppose it, because it does not realize the overall severity of the situation.

[FOCUS] You spoke of the external factors regarding the formation of your party. What are the internal reasons for the creation of the Party for Bosnia-Herzegovina?

The Politicization of the Army Can Threaten Its Unity

[Silajdzic] First of all, the attempt to maintain the framework of Bosnia-Herzegovina. If we unite all the possible forces to preserve Bosnia-Herzegovina, then the internal lines of division, which are not a priority of Dayton, become less important. We would also remain a serious partner in the eyes of the international community. Another reason is democracy. When it comes to decisionmaking and the organization of authority, it is necessary to discontinue the practice characteristic of the war. If we want democracy, then we cannot bring with us habits that we had during the war. But why do we want democracy, in the literal meaning of the word? Not because it is modern, as it is, for instance, modern to wear black, but for much deeper reasons. We are not a large or strong nation that can afford to carry out various experiments. We are a small nation which is constantly exposed to the forces of disintegration [rastakanje] and division. Therefore, apart from having physical force, namely the army, we also have to have a system to guarantee every individual that his qualities will be expressed and not be lost in any kind of collectivism. We need every person to be able to express the comparative advantages of Bosnia-Herzegovina in an economic, political, and social milieu. The advantages being openness, polyvalence, cosmopolitanism, a readiness for a higher form of organization, and suchlike, which we would express and prove whenever we went abroad. Naturally, this is if we are talking about real representatives. Now, all this can be done only if we release the entire potential of Bosnia-Herzegovina

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society. That is if we separate the economic authority from the political authority, if we depoliticize the army, which must not depend on daily politics, but must carry out the honorable duty of defending the state. It must operate according to the law and be above political parties, because the politicization of the army could threaten its unity. The same goes for the police.

[FOCUS] As we are already talking about the army, let me ask you the following: Is it a reduction in democracy if it is forbidden for officers to be members of political parties? Naturally, neither in the army, nor professionally, but on, for instance, town councils or some other local forms of political organizations?

[Silajdzic] We can check this, but, as far as I know, it is not permitted in Western democratic countries. To be honest, I do not yet have a full opinion on whether or not someone can be a member. However, officers certainly cannot be in top politics. Let us take, for example, the economy: In economic development, we must not depend on donations, but, above all, on getting our production going. Such growth will be based on accumulating capital that is not ours. Well, for it to reach Bosnia-Herzegovina, we need to have a legal state. This means, among other things, a depoliticized army. Just as, for instance, there are standards in the production of medical equipment, etc. Therefore, we must accept universal standards.

[FOCUS] We must build a standard in the production of democracy.

[Silajdzic] Yes.

[FOCUS] You locate your party in the democratic center. What do you understand by this and what other party on the Bosnia-Herzegovina political scene do you consider as preferring the democratic center?

The Wide Avenue of Bosnia-Herzegovina

[Silajdzic] To be honest, I have not been following the work of the parties sufficiently, because I have not had the time. I have read two programs, but, to judge from their appearances, all the parties have acceptable programs, although I would not want to place anyone anywhere now. When speaking of the democratic center, I mean the Bosnian Bosnia-Herzegovina, in which all citizens of Bosnia-Herzegovina who are patriotically inclined can be found. When talking about the democratic center, I talk of this wide avenue of Bosnia-Herzegovina. Neither left nor right, but wide enough for all Bosnia-Herzegovina citizens. If it is not, even if we have a great model and transplant it, we cannot swim in those waters, whether they are to cold or too warm, and we have nothing. Such a Bosnia-Herzegovina may not be to the taste of someone outside the country, but this will be a Bosnian Bosnia-Herzegovina, with all its special and specific characteristics, with its Bosnian spirit, which I do not believe has been destroyed despite all the destruction. Finally, whatever map you look at, in all previous periods this land was Bosnia. This is not really the case with the surrounding countries. [passage omitted]

[FOCUS] Mr. Silajdzic, the competition of political ideas must bring about progress, so the formation of your party needs to be viewed in this context. How do you interpret some of the unfortunate and awkward statements that the SBIH's formation will threaten the unity of the Bosnia-Herzegovina people?

[Silajdzic] Every human activity brings about an end product. Competition enables the end product to be as good as possible. Well, look at America. They have the Republicans and the Democrats, who do not differ much in their political orientation. They only disagree over what is most useful for America. However, particularly because these two parties exist, it is possible for what is done for America to be the best possible. I am convinced that, if only the Republicans or Democrats existed, America would not be better off. On the contrary. I think that those that talk of threatened unity underestimate the Bosniak nation. The Bosniak nation is not apolitical. It knows that its unity existed before the year 1990, before the JMO [Yugoslav Muslim Organization], after the JMO, and before this party that I lead, and will exist even after it. Political parties will not threaten this unity. The parties deal with daily issues, daily politics. However, the backbone of the Bosniak people is not nationalism, because the Bosniak people have, in a European sense, mainly been anational [anacionalan]. Or, more precisely, supranational.... [passage omitted]

[FOCUS] Is Bosnia-Herzegovina a party state?

[Silajdzic] To a large measure, yes. I would not say a party state, but of some people of a party. How do you mean your question?

[FOCUS] In a political sense, not a legal sense. Is Bosnia-Herzegovina a party state?

[Silajdzic] I favor the expansion of the decisionmaking base. When I speak of democracy, I speak of the expansion of the base that makes decisions. This was not possible during the war; sometimes we had to make decisions in an hour. However, we now have peace and I believe in parliamentary democracy. I believe that parliament should be where decisions are made. Politics and decisionmaking should be returned to the institutions of the state. [passage omitted]

[FOCUS] What you are talking about could be considered a normal Bosnia-Herzegovina. However,

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Mr. Kresimir Zubak [president of the Federation of Bosnia-Herzegovina] recently called both you and President Izetbegovic unitarians, because of your vision of Bosnia-Herzegovina. Are you a Bosnia-Herzegovina unitarian?

[Silajdzic] You know, I could now talk about what unitary means. There are various dimensions. If we are talking about the unity of the country, then I am a unitarian. If unitarism means a totally centralized system, which is what Mr. Zubak is thinking of, then I do not believe that it is good for the country, either. But if he thinks that forming a parastate and expanding other states into Bosnia-Herzegovina is nonunitary and good, then I am against it. What was agreed in Washington was not a federation of national territories, but a federation of cantons. If this is unitarism, then terminological errors are being made. In the issue of the Federation, the borders, and the integrity of Bosnia-Herzegovina, there must not be any dilemmas. [passage omitted]

[FOCUS] Is your party's voting base restricted to the Federation or is it also in the Serb entity? [adding dropped question]

The Religious Community Is the Pillar of a Nation

[Silajdzic] Naturally, the entire Bosnia-Herzegovina. We cannot even talk of a single-nation party and a voting base in one entity if we do not speak of the reintegration of Bosnia-Herzegovina. We cannot do that under any circumstances.

[Focus] Are you doing anything in the operative-technical sense about the matter of the expansion of the voting base into the Serb entity and the parastate of "Herzeg-Bosnia"?

[Silajdzic] We are working on this. There has been some movement, not much, but we would be glad if we could open a party office in Banja Luka or Livno tomorrow.

[FOCUS] You speak about this as if something is already being done about it?

[Silajdzic] It is naturally being worked on: This is only the beginning, because reintegration is a task that will also be continued by the next generation.

[FOCUS] Do you otherwise have any constituent committees around Bosnia-Herzegovina?

[Silajdzic] Yes, we do. That is no problem.

[FOCUS] What is the relation of the Islamic community toward your party?

[Silajdzic] I know a number of imams who say that they see our party as a benefit for Bosnia. There are, of course, also those who do not fully understand this process. This, too, is democracy. I would, therefore, like to say something at this point. In my vision, religious communities need to be totally autonomous. Autonomous in choosing their own bodies and operating without any kind of dictate from daily politics. Let me make this clear: The country needs to help religious communities, but without political ambitions. This is because the religious community is the pillar, the backbone, the constant of the nation, whereas politics are of a transitory nature.

[FOCUS] Let us return to foreign policy. Would you prefer Clinton or Dole to win the American election?

[Silajdzic] This is not our business.

[FOCUS] I am asking you as Haris Silajdzic, the person and politician.

[Silajdzic] What is most important to me is that we present Bosnia-Herzegovina to America in such a way that America fits Bosnia-Herzegovina into its interests. We must find our own place on those measuring scales, not look to see who is with whom, or who is against whom. This is a simplified view. Today's diplomacy moves much faster and there is no time for background actions and intrigues, as was the case before. We, as a small state facing restoration and development, need to adapt to that. One cannot operate outside the system, because that would be squandering energy. The parliament, the government, the Presidency, that is what it is. There is no politics outside institutions. We have the wrong assumption on how politics works on a day-to-day basis, how certain committees meet, and so on. No, politics are a general matter, the general directions of action are determined, and all the rest is concrete work, just like any other. I have spent a lot of time in America and never heard anyone say that he had been at some kind of party meeting. Professionals do exist and they organize election campaigns, and that is it.

[FOCUS] Do you have money? How is the party being financed?

You Will Find Out When The Convention Will Take Place

[Silajdzic] We have very little money, mostly from people from the diaspora and those in Bosnia-Herzegovina who can help. However, it is a rule of the party not to accept money from foreign donors and foundations. Such help brings along certain demands that we do not want to agree to.

[FOCUS] You seem to have gathered a number of quality people in the party. Tell us their names.

[Silajdzic] There is no need. You will find out when the convention takes place.

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[FOCUS] Does the military lobby in Bosnia-Herzegovina oppose you?

[Silajdzic] To tell you the truth, I have always worked on civilian issues. I have had little governmental authority over these issues, almost none. I have done what I could do. If someone opposes me, that is his business.

[FOCUS] I know that you are in contact with leaders of other parties. This is absolutely normal, but I am interested in whether you have political contacts with representatives of the SDA [Party of Democratic Action] since you have left this party?

[Silajdzic] Naturally, I do have contacts and I will continue to have. We all need to present ourselves as a monolithic block when a single Bosnia-Herzegovina is in question. Whoever wants to have contacts with us, we will also have contact with. [passage omitted]

B-H: Constituent Assembly Session Adjourned 12 Apr

LD1304192096 Zagreb HTV Television in Serbo-Croatian 1730 GMT 13 Apr 96

[FBIS Translated Text] A session of the Bosnia-Herzegovina Federation's constituent assembly was adjourned in Sarajevo late last night. The federal partners mostly disagreed on the processes that should have accelerated the establishment of the federation. More in this report by Miljenko Karacic:

[Begin recording] [Karacic] The 13th session of the Sarajevo Federal Assembly has shown just how wide the rift is between the federal partners on the implementation of the federation.

The Croats unanimously reiterated that the federation was their political objective. By this they meant exactly the kind of federation envisaged by the Washington and Dayton agreements.

On the other hand, the Bosniak side did not confirm that the federation was also its political goal. Moreover, it could well be concluded from speeches by certain Bosniak deputies that the federation, to the Bosniaks, is only a means for attaining some other objective. That is why Federation President Kresimir Zubak said at a certain point that the federation has become the first victim of the election campaign, so the job to be done jointly by Croat and Bosniak officials in the federal bodies is becoming an exercise in futility.

Disputed issues are cropping up where they did not exist before. For example, the draft law on defense—which has not yet been presented to the deputies—originally had only two disputed points: The chain of command and military service.

[Vladimir Soljic, Federation and Bosnian Croat defense minister] We came to within an inch of reaching an agreement when the Bosniak side suddenly sprang not only these two issues but came up with 14 new ones. So I do not see an end to this game, if it is a game—and I think that all this contains elements of a game.

[Karacic] The interruption of the assembly session will certainly not be a welcome development for the international mediators, who are encouraging the implementation of the federation. The Sarajevo agreement envisages the assembly in permanent session until the adoption of key regulations. This was accepted by the deputies in their conclusions.

It was impossible to achieve progress at the session riddled with innumerable long and short breaks. Even interruption seems like a reasonable solution but it also obligates the assembly bodies and commissions to do more on coordinating disputed issues by Wednesday.

Lethargy will not be tolerated by the authors of Dayton or the friends of the federation, much less the people who, in spite of the peace, are still looking for their means of survival in the city parks (the homeless). [end recording]

B-H: Conclusions Adopted by Federation Assembly

AU1504162496 Hanau NOVA BOSNA in Serbo-Croatian 13 Apr 96 p 4

[Article by E. Mesihovic: "Deputies Ought To Roll Up Their Sleeves as Well"]

[FBIS Translated Excerpt] Sarajevo, 12 April—Yesterday in Sarajevo, the session of the Constitutional Assembly of the Federation of Bosnia-Herzegovina started. In his report on the implementation of the Bosnia-Herzegovina peace agreement so far, Federation President Kresimir Zubak pointed out that the Federation's implementation process is entering the most critical phase. [passage omitted]

[Box, p 4]

The Assembly is not satisfied with the implementation of the Bosnia-Herzegovina peace accord so far, and therefore it is necessary to have it in continuous session, which particularly applies to its working bodies: The Commission for Constitutional Matters, the Legislative-Legal Commission, and other commissions that are supposed to coordinate and prepare all materials to be discussed by the deputies.

In the future, all reports submitted by executive bodies of the Federation, as well as by working bodies of the Assembly, must be handed out to the deputies in a written form.

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The report by Kresimir Zubak, president of the Federation of Bosnia-Herzegovina, on the implementation of the Bosnia-Herzegovina peace accord and other agreements on the implementation of the Bosnia-Herzegovina Federation, was adopted.

The president, vice president, and the Government of the Federation of Bosnia-Herzegovina, as well as other federal state bodies, were assigned, each within his or its jurisdiction, to further implement the agreements and contracts on strengthening the Federation and to submit reports on accomplishments at the next, 14th session of the Constitutional Assembly.

Constitutional Assembly Chairman Mariofil Ljubic called on officials of the Federation's executive bodies to take into consideration all suggestions, remarks, and advice made by deputies regarding the further implementation of the Federation of Bosnia-Herzegovina.

The Federation of Bosnia-Herzegovina Government took on a commitment to prepare its work program for the next session so that the program can be reviewed and adopted then. The Commission for Missing Persons with the Federation of Bosnia-Herzegovina's Assembly was assigned to make a report on the work performed hitherto and to submit it to the Federation of Bosnia-Herzegovina Assembly at the next session. The Collegium of the Federation of Bosnia-Herzegovina Assembly ought to prepare materials for the next session, where questions about the status of deputies in the Federation of Bosnia-Herzegovina Assembly will be regulated, while the Assembly will oversee the implementation of the agreements signed and will make sure that the Assembly appoints groups of deputies that will tour the territory of the Federation and submit a report on that to the Assembly. The conclusions were adopted unanimously.

B-H: Steiner 'Disappointed' by Federation Parliament Session

LD1304183696 Belgrade TANJUG in English 1758 GMT 13 Apr 96

[FBIS Transcribed Text] Belgrade, April 13 (TANJUG)—Deputy High Representative for Bosnia Michael Steiner said on Saturday he was very disappointed because the Bosnian Muslim-Croat Federation parliament had not agreed on documents needed for the functioning of the Federation.

It is no longer time for political games, it is time to do something in the interest of the population, Steiner said at the Saturday meeting in Sarajevo with Federation President Kresimir Zubak and Vice President Ejup Ganic, news agencies reported.

Parliament should have adopted laws which are necessary for the functioning of the Federation, Steiner said.

The Federation parliament was expected to adopt laws on joint authorities, army and police, banking system and customs union. It also failed to reach an agreement on a flag and coat of arms.

After fighting each other for one year, Bosnian Muslims and Croats, under U.S. pressure, set up a Federation in March 1994. The Federation never functioned in practice because of the federal partners' intolerance.

B-H: Commentary Criticizes Ganic Statement on Mujahidins

AU1504141396 Sarajevo VECERNJE NOVINE (European edition) in Serbo-Croatian 13 Apr 96 p 2

[Commentary by Sasa Rukavina: "Ganic and the Mujahidins"]

[FBIS Translated Text] The statement by Dr. Ejup Ganic, member of the Presidency of the Republic of Bosnia-Herzegovina, that, as we paraphrase it, he still considers that foreign nationals in the Bosnia-Herzegovina Army actually brought us more harm than benefit, was quite superfluous. He said this in front of the deputies of the Republican Assembly, speaking about the implementation of the Dayton accord, and it sounded like another denouncement of the people who had proven to be the best friends of the Bosniaks and this state in the world.

It is pointless to defend the mujahidins. They do not want us to do so, for they have their Allah to judge them, they have their own code, their views of the world, their soul and heart. Many of them gave their lives for this country. Only they know how much money, apart from blood, they gave for this country, and only the commanders of the army units in which the mujahidins fought know how valuable they were as warriors.

The reality is, however, that, on the world's agenda, they are classified under the item "to be eliminated." The dilemma of Iran or the United States that has been forced on this country since the start of the year is both trivial and stupid, and it is only its media attractiveness that redeems it. Those mujahidins, just ordinary people when away from the front lines, who have a hard time getting used to a different world and civilization, are certainly not too much interested in publicity.

As soon as they find themselves outside the territory controlled by the Bosnia-Herzegovina Army, they are chased like wild animals, and it is difficult for them to return to their own countries, where they also cannot expect to meet with any sort of gratitude.... Precisely for

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this reason, they do not deserve any persecution by our authorities either! And, precisely for that reason, they deserve our help, as much as we are able to extend. What they need is not much. It is just a human way for us to say "Thank you!" because we shall never be able to make up for all they went through over the three or four years of war. And, precisely for this reason, Ganic should not have made such a statement. If we have to drive them away, we should at least do so in a friendly manner, making it more dignified for us, as well as for them.

B-H: Herzeg-Bosnia Croats Unhappy With Muslim Actions

LD1504180496 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1600 GMT 15 Apr 96

[Interview with Ivan Bender, chairman of the Croat Republic of Herzeg-Bosnia Chamber of Deputies, by Ivan Kristic; place and date not given—recorded]

[FBIS Translated Text] What did the last session of the the Federation of Bosnia-Herzegovina's Constituent Assembly show? What do statements by Muslim representatives in the assembly hall and at rallies in Brcko amount to? These are the topics of an interview our journalist Ivan Kristic conducted with Ivan Bender, chairman of the Croat Republic of Herzeg-Bosnia Chamber of Deputies [Bosnian Croat Assembly speaker]:

[Begin recording] [Kristic] The last, 13th, session of the Federation of Bosnia-Herzegovina's Constituent Assembly seems to have shown even to the most naive people that the Muslims care for the federation as much as for last year's snow. Mr. Bender, are you of that opinion?

[Bender] Precisely so. However, we, the politicians, are not surprised at all. It is good for the international players and our own public to see that the Muslims will attempt to preserve their Republic of Bosnia-Herzegovina, as they call it, at any price and will try with all means possible to abolish the institutions of the Croat Republic of Herzeg-Bosnia. Our attitude, our conduct, and policy are clear: There is no problem with us being genuinely in favor of the federation. We are in favor of the transfer of civilian authority from the Croat Republic of Herzeg-Bosnia to the Federation of Bosnia-Herzegovina but, simultaneously with that, civilian authority must be transferred from the Republic of Bosnia-Herzegovina to the institutions of the Federation of Bosnia-Herzegovina.

It is only now that the Muslims are showing their true face and I expect an appropriate reaction from the international players.

[Kristic] International players and sponsors of the federation were able to see for themselves that Muslim representatives have attacked the Sarajevo agreement, for example which their democratically elected representatives signed. How can we achieve a federation with such a partner?

[Bender] It will be very difficult. However, one ought to look at the tactics they are using now and I hope everyone will see clearly what they are after. They recently started dissociating themselves from all those who signed some decisions and agreements; they are saying these people were not authorized to do so. They are now criticizing Mr. Ganic, Mr. Kapetanovic, or Mr. Muratovic. However, the Croats are proceeding in this instance genuinely, firmly, and honestly, wishing to preserve what they have. We do accept everything that our representatives have signed, as they were authorized to do so, but we are not going to do anything in a hasty manner.

[Kristic] Yesterday's rally near Brcko was also a good example of Muslim double speak. They say that they support a multiethnic, multireligious, multicultural Bosnia-Herzegovina, but when it comes to actions, they show that they want Bosnia only for themselves. They held that rally yesterday without the presence of the Croat people, without the representatives and symbols of the Croat people. They demanded that Brcko be returned to its citizens but in fact they were calling for a Muslim Brcko.

[Bender] The Muslims will stop at nothing to create a new Muslim state via Bosnia-Herzegovina. Our message is clear and I can be open about it: We can talk about Bosnia only with the agreement of its three national groups. Without the agreement of the Croats, Muslims, and Serbs, there is no Bosnia-Herzegovina.

The Muslims must also understand that this applies to the federation. There can be no Federation of Bosnia-Herzegovina without the agreement of the Croats and the Serbs. We are currently entering the final stage of this game and the Croats have to be prepared. All [Croat] institutions have to carry out their duties. This is a historic moment when the future of our people is being decided. We have to be confident and cautious. We should not worry too much about the Muslims and this is also a chance for the world to see what kind of people with whom we have to work. Our duty is to close our ranks, work through the institutions, and preserve what we have achieved so far. It is nice to see our [Bosnian Croat] soldiers and our soldiers deployed in Capljina and throughout our Croat Republic of Herzeg-Bosnia. That is where our power lies, and accompanied by the HDZ [Croatian and Bosnian Croat ruling party]

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policy, I believe that we will carry out our duties to the satisfaction of all of us.

Therefore, I have a message and a plea: We have to move slowly and patiently; we must help each other; and we must not let anything divide us now, because this is the time when we are creating the future for our young generations. We have all the support we need, and what is most important is that we have the support of the Republic of Croatia. [end recording]

B-H: 'Very Few' Refugees Said Returning to Banja Luka

AU1304135196 Paris AFP in English
0859 GMT 13 Apr 96

[By Michel Carriou]

[FBIS Transcribed Text] Banja Luka, Bosnia-Herzegovina, April 13 (AFP)—Very few Moslems and Croats have returned to homes in this northern Bosnian town, one of the worst centres of "ethnic-cleansing," aid workers and officials said here Saturday.

Banja Luka, the largest Serb-held town in Bosnia, was the centre of a Serb campaign that in 1992 forced more than 500,000 Moslems and Croats from their homes in the region.

And since Bosnia's Dayton peace treaty was signed in December, "only a handful of Moslems and Croats have come back, 12 or 15 ... And they are people from mixed marriages," Mans Nyberg, spokesman for the UN High Commissioner for Refugees (UNHCR) said.

For the moment there is no attempt to organise a return home for the thousands who could come back, Nyberg told AFP.

"The security is just not there," he added.

Under the terms of the Dayton accord, refugees of whatever ethnic grouping are supposed to be able to return to their homes whereever they are in Bosnia.

But in this once-affluent town, the few Moslems and Croats who stayed throughout the war are still "getting anonymous phone calls, and suffer a lot of pressure," an official working for the UN police in Banja Luka, who declined to be named, said.

According to another official working for an international aid agency operating in Banja Luka since the start of the war, the problems for the refugees stem directly from the attitudes of the political authorities in the town.

The mayor, Predrag Radic, and other members of the ruling Serb Democratic Party (SDS) led by Radovan Karadzic, who run the town, "have a very negative attitude," said the official who requested anonymity.

Radic is currently attempting to distance himself from Karadzic in order to gain international favour but still "does not want any Moslems or Croats coming back in town", the official said.

"Their attitude is going to get worse over the next few months because of the electoral campaign," the same source said.

Under the Dayton peace treaty, elections have to be held in Bosnia by September, and civilian officials overseeing the peace process have already expressed fears that the campaign could harden nationalist sentiment in the country.

"It is very unpopular to go around supporting the return of refugees, particularly when your potential voters have set themselves up in apartments they got from Moslem and Croats during the ethnic cleansing," the international aid agency official said.

According to a UNHCR report on Banja Luka produced this month there are still, since Dayton, cases of Moslems and Croats being forced out of their homes.

The incidents are "few" and a number of court orders reinstating Moslem families in their homes have been issued, the report says.

But, the same UN police official said, the court orders are not properly implemented. The Serb police "either ignore them or take forever doing it," the UN police official said.

The daily difficulties facing Moslems and Croats in Banja Luka make the UNHCR reluctant to move fast on organising a return, Nyberg said.

"For the moment, we are simply trying to organise visits for representatives of the refugees back to the districts or villages they came from," Nyberg said.

Even this is a problem, the UN police official said.

"No-one wants to see the refugees coming back for now," he said.

B-H: UN War Crimes Team Concludes Mass Grave Probe

AU1304140796 Paris AFP in English
1357 GMT 13 Apr 96

[FBIS Transcribed Text] Karakaj, Bosnia-Herzegovina, April 13 (AFP)—UN war crimes investigators on Saturday wrapped up a two-week probe into alleged mass graves in eastern Bosnia by studying a suspected massacre site.

They went to an earthen dam near here and picked up fragments of human bone and tattered remnants of cloth

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lying on the stony surface among dozens of spent bullet cartridges.

According to accounts from two survivors, scores of men were taken to the site in groups, stripped to the waist and with their hands tied, then lined up and executed by Bosnian Serbs.

The two said they escaped by playing dead and hiding in a drainage ditch as the Serb soldiers went to get more prisoners.

The Bosnian Serb military commander, General Ratko Mladic, was seen at the site around the time of the massacre, they added. Both he and Bosnian Serb leader Radovan Karadzic have been indicted for war crimes.

An informed official source told AFP that the site, around 10 kilometres (six miles) northwest of Zvornik, was a confirmed massacre and grave site.

The team of investigators from the International Criminal Tribunal on the former Yugoslavia based in the Hague looked at earth patterns as well as for pieces of evidence.

One stretch of stony ground appeared to have been dug and filled in more recently than the surrounding area, as if there had been a hole there.

The site was where David Rohde, the Christian Science Monitor journalist who first reported many of the mass graves, was arrested by Bosnian Serbs in autumn last year and detained for 10 days.

He re-visited the site on Saturday, pointing to where he was arrested and noting what he had found then. He said the area did not appear to have been tampered with.

The dam serves an aluminium factory in Zvornik. One side of it was mined because it was a potential target during Bosnia's three-and-a-half year war.

The UN war crimes team has been in eastern Bosnia for nearly two weeks to examine alleged mass grave sites and report back to the Hague with potential evidence.

They said they were returning to the Bosnian government-held town of Tuzla in the northeast late Saturday before flying back to the hague.

However, another team is expected to arrive in the area in early May for digging work based on what evidence this first team has found.

None of the team would comment on how their investigation went.

B-H: Koljevic on Repatriation, Elections, Relations With Serbia

LD1504124696 Belgrade SRNA in Serbo-Croatian 1134 GMT 15 Apr 96

[FBIS Translated Text] Belgrade, 15 Apr (SRNA)—Nikola Koljevic, vice president of the Serb Republic, has stated that the Muslim refugees cannot return to the Serb Republic before the Serb refugees from central Bosnia and Sarajevo have been resettled.

In his interview to Belgrade daily NASA BORBA, Koljevic assessed the announcements of the return of Muslim refugees to the Serb Republic as "a kind of political maneuver, to which terrorist activities will be undoubtedly added."

"We cannot throw our people out in the streets, so those who used to live here can come back. Revitalization and reconstruction first, then repatriation," the vice president said.

He expressed the Serb Republic's readiness to cooperate "geopolitically" with the Croat-Muslim federation, but said the degree of cooperation was dependent upon the other side.

"They say one thing and do another. Let the Muslims agree first among themselves. They do not attend the meetings regularly, do not respect prisoners, do not show any particular interest in the cooperation, did not appreciate our coming to Sarajevo," Koljevic said.

Koljevic urged that the agreement on freedom of movement should begin to function, but said movement with IFOR [Implementation Force] escort had to be tried out first:

"An incident or two would postpone the possibility for free movement for another six months," he pointed out.

The Serb Republic vice president said that "one should not expect perfect conditions" at the forthcoming elections, but elections were necessary, "because the mandate of leaders on all sides has expired. Also, elections are the way of introducing legality into relations more easily."

"I believe it is better to have elections even in the current fluid situation, because the mandate of people who will be elected will last only two years," Koljevic said.

Koljevic described relations between the Serb Republic leadership and Serbian President Slobodan Milosevic as correct.

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B-H: Koljevic, Krajisnik Meet Balkans Commission Delegation

LD1204223696 Belgrade SRNA in Serbo-Croatian 1958 GMT 12 Apr 96

[FBIS Translated Excerpt] Sarajevo, 12 Apr (SRNA)—Nikola Koljevic, vice president of the [Bosnian] Serb Republic, and Momcilo Krajisnik, speaker of the [Bosnian Serb] People's Assembly, held talks in Pale this evening with a delegation of the International Commission for Balkans on the possibilities for further implementation of the Dayton agreement and reasons for the Serb Republic delegation's decision not to attend the donors conference in Brussels.

After the meeting with the commission, the founders of which are the Aspen Institute and Carnegie's Foundation for International Peace, Koljevic told SRNA that the withdrawal of funds from the Serb Republic because it had refused to take part in the joint delegation of Bosnia-Herzegovina in Brussels "would be a gross violation of the Dayton agreement and a kind of economic blackmail."

"We have drawn our guests' attention to the fact that until elections there is no such thing as Bosnia-Herzegovina government or a joint commission for reconstruction, and that a degree of independence and sovereignty of the Serb Republic is something its people, just like people in the Muslim-Croat federation [Bosnia-Herzegovina Federation], are very sensitive about," Koljevic said.

He said that a view was presented to the Balkans Commission delegation, which pointed out the fact that the economy is often linked to policies, that economic issues could be linked only to agreed policies, and that the current situation with the reconstruction is not creating either a positive climate or mutual trust.

"The situation resembles a new kind of domination which we have already experienced in the former Bosnia-Herzegovina; the Serb side cannot agree to it either under the Dayton agreement or if it is to follow its beliefs," Koljevic said. [passage omitted]

B-H: Serb Official Comments on IFOR Security 'Duty'

LD1304203196 Belgrade SRNA in Serbo-Croatian 1851 GMT 12 Apr 96

[FBIS Translated Text] Banja Luka, 12 Apr (SRNA)—After meeting Lois Sell, international coordinator Carl Bildt's envoy, Serb Republic Vice President Biljana Plavsic said in Banja Luka today that "IFOR's [Implementation Force] duty is to provide security for all citizens of the Serb Republic, in border areas in particular."

"If IFOR secures the safety of our people, the implementation of the Dayton agreement will be more successful," Plavsic said and added that Bildt's envoy had been warned about the latest incidents in Ostra Luka and Brcko caused by Muslims and IFOR members.

Commenting on Bildt envoy's remarks regarding the status of opposition parties in the state media, Plavsic recalled that the Serb Republic's information system had been devastated during NATO air raids.

"When better conditions are secured in this field too, all parties will be treated the same by the Serb Republic media," Plavsic said, and added that "the Serb Democratic Party [SDS] will never threaten democracy because, among other reasons, it is mentioned in the party's name."

B-H: Yugoslav Left Group Sets Up Office in Bijeljina

AU1304142796 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 13 Apr 96

[Report by Zeljko Simic]

[FBIS Translated Text] The Yugoslav Left [JUL] of the Serb Republic [RS] has been presented in Bijeljina. Zarko Simic reports:

[Simic] The RS JUL is an authentic and independent organization, a part of a broader political arena. It opposes the totalitarian rule of the false Bolshevism, and it strives for a law-abiding republican state. This was stated by Milorad Ivosevic, president of the RS JUL's Main Committee, addressing the participants in today's meeting in the great hall of the Youth Center.

Stressing that the boycott of the Dayton agreement in the RS would lead toward a definite fiasco, Ivosevic emphasized the need to set up a patriotic front of the left-oriented parties that would strive for peace and progress, and announced that the RS JUL would participate in the upcoming elections.

Talking about the implementation of the Dayton agreement, Mico Carevic stressed even more explicitly that the boycott leads to a certain exodus of Serbs from the RS.

Bozidar Milosavljevic, vice president of this organization from Belgrade, greeted the participants in Bijeljina on behalf of the JUL's Main Committee. He said the main focus of JUL activity is freedom for all people and general equality. According to him, this is from where humanist, peace-loving, and state-creating activities of this organization derive.

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Croatia: Aviation Authority Denies Blame for Plane Crash

LD1504164796 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 15 Apr 96

[FBIS Translated Text] In response to certain press articles on the crash of the U.S. Boeing 737 near Dubrovnik, the aviation authority of the Ministry of Maritime Traffic, Transport, and Communications has issued the following statement:

The aviation authority most energetically rejects insinuations to the effect that the alleged unreliability of the ground radio-navigational equipment at Dubrovnik airport was a possible cause of the recent crash of the Boeing 737.

With regard to matters within the jurisdiction of the aviation authority, we wish to state the following:

As an integral part of the Ministry of Maritime Traffic, Transport, and Communications, the aviation authority is responsible for flight control in the airspace of the Republic of Croatia, which is why its responsibilities and functions should be differenitated from the responsibilities of airports.

The aviation authority began operating in 1992 with equipment, infrastructure, and staff from the previous system. The value of the equipment pillaged or destroyed by the Yugoslav People's Army was estimated at $80 million. The airports in Dubrovnik, Pula, Zadar, and Osijek were completely destroyed, while equipment at Split and Zagreb airports was only partly destroyed. Rijeka airport was the only one left intact.

Apart from damage to the airports themselves, navigational equipment belonging to the regional aviation authority in Zagreb—as well as radar, computers, and other equipment—were looted.

In its drive to revive the important functions of the air traffic system, the Republic of Croatia was granted a $22 million loan by the European Bank for Reconstruction and Development for equipment and staff training, with Croatian participation of $4.2 million. Although the loan was approved in 1994, for political reasons the first installment became available only in September last year.

The first deliveries of equipment are under way, while all the projects are expected to be completed by the middle of 1997. The loan should also cover the purchase of additional navigational and radio-communications equipment for Dubrovnik airport. Until the completion of all the projects, Dubrovnik airport will use existing equipment and will observe landing procedures in line with international standards.

Concerning certain press articles about scandalously poor equipment at Dubrovnik airport, the fact is that due to the destruction mentioned earlier its equipment is indeed of poorer quality than before, although it does meet international norms on landing procedures, as possible deviations from these procedures would affect flight safety.

It was established beyond a shadow of doubt that at the time of the Boeing 737 crash navigational and other equipment was in perfect working order—which was in complete accordance with flight safety norms.

Malicious and biased articles in part of the press have caused great damage to the Republic of Croatia and to the aviation authority management's efforts to build a modern flight control system—the legal consequences of which will be borne by the writers of these articles and their editors.

Croatia: Debt Payments to UK Postponed for 14 Years

AU1504203096 Split SLOBODNA DALMACIJA in Serbo-Croatian 10 Apr 96 p 2

[Article by S. Paparella: "Reprogramming of Debt for 14 Years"]

[FBIS Translated Text] Zagreb—A ceremonial exchange of notes on the Agreement on Debts between the United Kingdom and the Republic of Croatia took place in the Finance Ministry on Tuesday. The notes were exchanged by British Ambassador to Croatia Gavin Hewitt and Croatian Finance Minister Bozo Prka.

The confirmation that the agreement will be signed is a precondition for the normalization of economic relations between the two countries. The agreement will reprogram about $113 million and 26 million pounds for 14 years, Prka stressed. With this, we laid the foundations for normal operations, primarily with the British transport and construction companies that are vital for Croatia's reconstruction. The British Agency for Export Security and Guarantees (ECGD) will examine covering the export risk and the import of equipment and high technology. Ambassador Hewitt stressed that a considerable number of the British businessmen wish to invest in Croatia and that the agreement thus confirmed opens doors to them.

The negotiations with the United Kingdom were conducted on the basis of the principles and provisions contained in the coordinated minutes of the Paris Club. The coordination of the data on debts started in 1992 to obtain the exact inventory and the balance of the remainder of the debt as well as a plan of repayment by

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the debitors and the credit uses from the territory of the Republic of Croatia. The final talks were held in London in September 1995. The text of the agreement contains a review of obligations from all credits and will provisionally apply from of the date of its signing.

Croatia: Debt-Rescheduling Agreement With Austria Signed

AU1504204296 Split SLOBODNA DALMACIJA in Serbo-Croatian 10 Apr 96 p 2

[HINA report: "Agreement With Austria"]

[FBIS Translated Text] Zagreb—Croatian Finance Minister Bozo Prka signed an agreement on rescheduling Croatian debts to Austria in Zagreb today.

This agreement will reschedule the debt that totals approximately 637 million schillings and 7 million schillings in accrued default interest. The bilateral agreement consists of the Agreement on Debt Reorganization and the Agreement on Crediting Assumed Debts Through Refinancing to the amount of 650 million schillings.

Representatives of the Austrian Government and the Oesterreichische Kontrollbank, which represented the Austrian Government, signed the agreement in Vienna on 4 April.

Croatia: UN Official on Family Reunion, Visit Programs

AU1004070696 Beli Manastir Srpski Radio Network in Serbo-Croatian 1600 GMT 4 Apr 96

[FBIS Translated Text] A group of displaced Serbs accommodated in Ilok visited their homes in the Pakrac area today. These visitations will continue, and family reunions will also be organized in special locations. The reunions will last up to two hours, and about 1,000 people have applied so far [sentence as heard]. Displaced persons who wish to meet with members of their families should submit their applications to Red Cross organizations.

Mr. (?Dave Gray), the head of UNTAES [UN Transitional Administration for Eastern SLavonia] civilian affairs, told this to our colleagues from Vukovar today. Mr. (?Gray) talked about the recent [words indistinct] Osijek, as well as the status of refugees and the return of the displaced persons to villages and towns.

[Begin recording] [Grey, in English with superimposed translation into Serbo-Croatian] So far the family reunion program has only taken place at the Sarvas-Nemetin crossing. Due to the physical situation, we were able to bring in only 60 to 70 people there at a time.

We are trying to expand this. We are trying to put up facilities at the Bilje crossing in Baranja, and we are also trying to put up facilities at the Nustar crossing, so that families can meet there, too.

We know that there are over 1,000 people who have applied and are waiting to be invited for the family reunion. We feel that there is a tremendous desire on both sides for people to get back together with their families again. Meeting for two hours and then departing again is not much, but it is quite important to the people who have been separated by this war for years.

We are aware that there is a great demand for these meetings, and we are trying to increase our facilities and the number of people who can get to visit their families.

If people are interested in this program, they just have to contact their local Red Cross, which will put together the lists, and we will try to meet all the demands, and eventually everyone will be able to [words indistinct].

The family reunions are emotional experiences, but the village visitations are extremely emotional experiences. We are only at the start of the village visitation program, and we are feeling our way very cautiously. I can tell you that every person who has been part the village visitation program that I have spoken with was happy to have gone, and very unhappy that they could not stay longer.

I would ask that they understand that we cannot expose them to unnecessary and unreasonable risk. For the time being, the people can only pass through the villages, they cannot get out and talk to their neighbors there, but must [words indistinct]. I asked them to understand that, on the second, third, or fourth visit, we will become increasingly adventurous and increasingly free.

I must mention that a very exciting visit is taking place today. A group of people have set off from Ilok to visit their villages in the Pakrac area. This will take them all day on the bus, they will be in their villages for an hour, an hour and a half, and I know exactly how they will feel. They will be excited while there and disappointed when they come back. But could you even have imagined something like this six months ago? It is a small step for a small group of people, but six months ago it was not even possible to talk about it. Imagine what we will be doing in six months from now! And this is only for ordinary people, not the important ones [as heard].

Let us start from the beginning. The issue of return is the key issue for this region. I ask you not to doubt [words indistinct] the principles the United Nations stands for. We support the principle of all refugees being able to

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return to their homes [passage indistinct]. The same was true for Rwanda, South Africa, El Salvador, and the same is true for the Balkans.

We are committed to that principle, and we are working in accordance with that principle. We have just started. Our lead agency in that area is UNHCR [UN High Commissioner for Refugees]. They are [words indistinct] for this kind of work worldwide. They are [word indistinct] a joint committee, which consists of people from both sides plus their experts. They had a meeting two weeks ago, and will have another one today. These are the first two meetings, and they are slowly putting together the [words indistinct].

I want everyone to understand that this is a very serious problem and that we are very serious about it. We are determined to do everything for ordinary people to return to their homes in conditions of security and [word indistinct]. [end recording]

Croatia: FERAL TRIBUNE Editor Criticizes Media Environment

LD1504221496 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 2000 GMT 15 Apr 96

[FBIS Translated Excerpt] The International Federation of Journalists has awarded the editor of Croatian FERAL TRIBUNE [Split-based weekly], Viktor Ivancic, with its special annual prize for tolerance in journalism and uncovering cases of racism and xenophobia. Ivancic, often a critic of Croatia's policy toward Bosnia, is currently paying a visit to Sarajevo. [passage omitted]

[Begin recording] [Unidentified correspondent] Viktor Ivancic was awarded for his text on the murderer of former Yugoslav Ambassador Vladimir Rolovic who had until recently lived as an emigre in Paraguay under a false name. When the new regime came to power in Cr tia, he returned, became a soldier of the Croatian Army and was given a flat in Sibenik. In his awarded text Ivancic asks: Who is Andjelko Brajkovic [Rolovic's murderer]? Is he a folk hero or terrorist scum?

We asked Ivancic about his award and the price one has to pay to get it?

[Ivancic] We did not do what we did to get an award. We have to pay the price at home [in Croatia] and get awards abroad. The award came as a fine decoration for what we did. I think that we have managed to stay relatively clean in the whole story.

[Correspondent] Where are the roots of your urge to be unbiased?

[Ivancic] It is a matter of personal hygiene where journalism is concerned.

[Correspondent] You said on one occasion that Croatian war reports were war lies and that decades would be needed for the [journalist] profession to recover from all the lies it had produced. Has this recovery begun in Croatia or are you still an exceptional, isolated example in your environment?

[Ivancic] I do not think that we are an isolated case. I think that there are other free and independent media in Croatia.

[Correspondent] Isolated cases?

[Ivancic] Well, yes, they mainly are. I have to admit the propaganda nature of the media in Croatia in general.

[Correspondent] No recovery?

[Ivancic] Not at this moment. I have to add that the less real war there is, then more of the internal state of war is induced, the fabrication of enemies and similar things. Some governments always need this, they need the state of permanent danger so they can facilitate their [political] survival. [end recording]

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FYROM: Gligorov Discusses Relations With Croatia

AU1604083596 Zagreb VECERNJI LIST in Serbo-Croatian 12 Apr 96 p 7

["Exclusive" interview with Kiro Gligorov, president of the Former Yugoslav Republic of Macedonia, FYROM, by Boris Pop-Djorcev in Skopje on 11 April 96: "Macedonia Is Against Balkan Associations, Too"]

[FBIS Translated Text] Kiro Gligorov, president of the Republic of Macedonia [Former Yugoslav Republic of Macedonia, FYROM], arrives today for a one-day friendly working visit to the Republic of Croatia. It will be his first visit since the Republic of Croatia gained independence and his first meeting with his host, President Franjo Tudjman, as well as the first journey abroad of the president of the Macedonian state since the assassination attempt on 3 October last year.

On the eve of his visit President Gligorov gave an exclusive interview to our correspondent from Macedonia, Boris Pop-Djorcev, which is the second interview Kiro Gligorov has given to our paper in the last two years.

[Pop-Djorcev] After the disintegration of the former SFRY [Socialist Federative Republic of Yugoslavia], Croatia and Macedonia were among the first former federal units that recognized each other's state independence—on 30 March 1992. What is your appraisal of the bilateral relations in the past period?

[Gligorov] It was logical that these two states recognize each other because, first, there are no problems that would be obstacles to mutual recognition, and second, we have long historical connections, common struggle, and life in the former community. Regarding the development of our mutual relations, there have been some objective obstacles. Croatia was involved in the war in Bosnia, certainly it must have had other priorities that influenced development of its activities. Traffic connections have also been an obstacle. Bearing in mind all the circumstances in the last four or five years, the relations between Macedonia and Croatia have developed well. Croatia has appointed its ambassador to Macedonia, we will do the same very soon. The Dayton agreement creates new conditions for wide cooperation which has good foundations in economic, cultural, and other connections and interpersonal relations created during our life together, but also even a long time before that. I think that based upon that we must create new opportunities, new links that will enable more intensive cooperation in all spheres of life.

Mutual Interests

[Bozic] In the former SFRY trade between the two republics was $650 million, and now it is only $80 million. What are the possibilities of improving that cooperation and has it been burdened by some difficulties?

[Gligorov] We have already been talking about the objective obstacles and about the priorities that each of our states had, so the decline in trade stands to reason. When a year or two years ago we established the shipping route between Drac and Rijeka, the exchange started to grow immediately. The complementary quality of the two economies is significant. We are interested in many products from Croatia, there is the metal-working industry and electrical equipment industry, shipbuilding, and some other branches of industry. On the other hand, Croatia is interested in some of our products which Croatia either lacks or has in insufficient quantities. Of course, we cannot just stop there, we must open some new opportunities for cooperation, for cooperation in industry and in building trade, we could work together in the reconstruction of Bosnia, as well as all over the world, where Croatia's construction industry is engaged. To the extent of promoting both Croatia's and our integration into the EU [European Union], new space for cooperation in that big market area will also open.

Croatia was one of the republics interested in direct investments in Macedonia, interested in cooperation with our industry. The refrigerator factory, the Rade Koncar factory in Skopje, with its industrial facilities in many Macedonian towns, is a good example of such cooperation. There were also Croatian banks there, trade organizations, that were yielding good results with the disintegration of the SFRY. However, with the opening of the economy so as to connect our companies in the economic, financial, and trade field the results can be even better now.

Cooperation on Equal Terms

[Bozic] Macedonia and the FRY [Federal Republic of Yugoslavia] signed the agreement on mutual recognition and establishment of diplomatic relations. It has caused various comments in both countries, as well as in the whole region, and which has drawn the question of the present and future relations between the members of the former federation into the focus of attention. What are the prospects for those relations?

[Gligorov] First of all, we think that the most important thing is that the former republics recognize one another as independent and sovereign states and that, based upon that, they cooperate where their interests overlap. Such cooperation is desirable and I do not believe that anyone would be against it. However, there are

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some new ideas promoted regarding the cooperation of the former Yugoslav republics, some kind of economic association has been advocated. Some people associate that with some kind of association of those republics or an even wider association in the southeast, and we think that is an unfounded and reckless action. Because each of the former Yugoslav republics itself must be responsible for its own future and development and define its orientation. That is, each one of us must define whether one is oriented toward the EU, whether one makes preparations for that journey in one's plans and general decisions, starting from the signing of the trade agreements, to associate membership, to regular membership in the EU, which demands big efforts.

We largely lag behind what is today a standard applied and respected in the EU, which has a large specific legislation. In all our laws, in all the measures we undertake in economic and social sphere, we must adapt ourselves to the situation prevailing today in the EU. Because, since those are countries in an intensive transition, the European orientation will not be helpful very much. On the other hand, any kind of orientation, religious or ethnic and national integration, would be fatal for this part of Europe. The Balkans would once again be divided in various spheres of influence, individual states would unite with each other, and that wall which has already been pretty harmful to the development of all those states would be created again. Therefore I think it is best to oppose it, stop the ideas spreading now—that allegedly because of the Muslim threat, the countries with the Orthodox religion, that is Orthodox countries, and, on the other hand, Slavic nations which stem from one tree, and who have a lot in common in the culture, way of life should unite. I think that such unfounded associations can cause a division in the south of Europe, and thus the division of Europe itself, which means the return of those times that we all would like to forget.

Early Elections and Referendum

[Bozic] After 220,000 civilian signatures collected, the current event in Macedonia today is the destiny of the action for issuing referendum for the new elections.

[Gligorov] The signatures have been deposited at the parliament where the procedure of checking those signatures have started, and then the parliament will decide whether it is or it is not for the referendum. By the moment of collecting signatures, we have not had a law that would regulate the legal procedure for some such action, and we believe that it has been undertaken in order that the nation explains itself about the newly arisen circumstances in the country. On the other hand, the organizers of that action did not want to wait for a day or two for the law to be passed, and then, in line with that legal procedure, approach this responsible action.

In no traditionally democratic country in Europe or elsewhere have I found that there is a possibility of early elections based upon civic initiative. Because it is at the very root of democracy that if one or more parties as a coalition wins the majority which enables it to rule during its election mandate, one must let it use those four years, and only then let the people say in the regular elections what they think about the results of the work of that coalition and government.

[Box, p 7]

Conflict Still Threatens

[Bozic] After Dayton, the situation in the territory of former Yugoslavia, primarily in the war-ravaged areas, is essentially changing in the positive sense of the word. What will be the future of these areas—territorial, political, economic future?

[Gligorov] The Dayton agreement is very important because it stopped the war, the complex and difficult processes in searching for the way of securing coexistence in Bosnia have started. In that regard, still, there are different orientations, but, by the Dayton agreement, the international community has decided to preserve Bosnia-Herzegovina as a state, as a political entity. Therefore, I think that the Dayton agreement is obliging, and it has to be implemented consequently in order to prevent the resumption of war or to prevent some hopes to renew all those national and other ambitions, that is, to create an independent Serb state, then Herzeg-Bosnia, and a Muslim state when IFOR [Implementation Force] leaves Bosnia-Herzegovina. The civilian problems related to Dayton are particularly complicated. The people have left and lost their homes, and it is a problem now how to overcome all those controversies, this deep hatred.

Regarding the realization of the Dayton agreement, I am concerned because of the idea that President Clinton withdraws the American troops from Bosnia-Herzegovina. There was an immediate and subsequent reaction from Germany that it will withdraw its troops after the Americans do so. It is easy to understand that one can expect the same from some other states. As the EU has not yet become an integrated military force, there is no institution of NATO, there is a possibility of creation of vacuum that will result in the resumption of hostilities. I think it is surrealistic to expect the presence of IFOR of only a couple of months to solve the complex questions that engaged those three nations in conflict and brought them to thinking that they could not

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live together. Apart from that, little has been achieved in the civilian sphere, so that all those problems can cause serious conflicts in Bosnia-Herzegovina.

FYROM: Chinese Foreign Minister Arrives for 2-Day Visit

AU1304204496 Paris AFP in English 2029 GMT 13 Apr 96

[FBIS Transcribed Text] Skopje, April 13 (AFP)—Chinese Foreign Minister Qian Qichen arrived Saturday for a two-day visit to Macedonia [Former Yugoslav Republic of Macedonia—FYROM].

"We are pleased to note that our friendly relations and cooperation have been growing smoothly in all areas since the establishment of diplomatic relations between our two countries," he said in an arrival statement.

"We attach great importance to Sino-Macedonian relations, and support your country's independence, sovereignty and territorial integrity," he said.

Macedonia established diplomatic relations with China in 1993, two years after the former Yugoslav republic became independent.

Promptly after his arrival, Qian held talks with Prime Minister Branko Crvenkovski. He was to meet Sunday with President Kiro Gligorov.

FYROM: Chinese FM Welcomes Easing of Tension in Balkans

LD1404163596 Belgrade TANJUG in English 1523 GMT 14 Apr 96

["Pool" item]

[FBIS Transcribed Text] Skopje, April 14 (TANJUG)—Chinese Deputy Prime Minister and Foreign Minister Qian Qichen said on Sunday it was good that tension in the Balkans was easing.

This should encourage efforts aimed at an improved cooperation, Qian said in Skopje, where he arrived late on Saturday in a three-day official visit.

Asked if the visit announced China's more pronounced political and economic interest in the Balkans, Qian said that Beijing appreciated the adherence to the principle of preserving peace and stability in the region, but that it did not have any special interests in the region.

Qian on Sunday met with Macedonian President Kiro Gligorov and other officials. The talks focused on the ways of improving bilateral economic cooperation.

Speaking to reporters, Macedonian Deputy Prime Minister Ljube Trpeski welcomed China's consistent and principled approach to the peaceful settlement of problems in the former Yugoslavia.

Macedonia [FYROM—Former Yugoslav Republic of Macedonia] has 'expressed principled support for the unification of Taiwan, Hong Kong and Macao with their parent country, in confidence that the process will end peacefully with the wise policy of the Chinese leadership,' Trpeski said.

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Poland: Foreign Minister on Kwasniewski's Moscow Talks

WS1504122296 Warsaw RZECZPOSPOLITA in Polish 12 Apr 96 p 6

[Interview with Polish Foreign Affairs Minister Dariusz Rosati by Jan Skorzynski in Irkutsk; date not given: "We Will Not Negotiate NATO Membership With Russia"]

[FBIS Translated Text] [Skorzynski] I would like to ask you a question about the idea of holding talks with Russia on Poland's entry into NATO, which you formulated after you assumed office. Has this concept yielded concrete effects in the form of a change in Moscow's stand?

[Rosati] I must make what you have just said more specific. We never intended to talk with Russia about our entry into NATO. Our intention was only to inform the Russian side what our plans were. We do not expect either consent or objection on Moscow's part because this is not an issue we will negotiate with it. Russia's approach to the issue of NATO expansion is very traditional; it looks upon the alliance as the structure of an enemy. This is a relic of the time when two blocs were competing with each other, a time characterized by a balance of forces or a balance of fear. However, this period is a thing of the past. Today this issue must be seen differently; this is how we are presenting it to the Russians. I believe that Russia's stand on this issue is evolving, although it is unreasonable to expect spectacular changes before the elections. I think, however, that, as a result of our determination, patient explanation of our arguments, and continuation of the process of integration with NATO, Russia will no longer fear that its security will deteriorate and member states of the alliance will finally make their decision.

[Skorzynski] What was the answer of the Russian side to the question of damages for Poles sent to camps in the Soviet Union, which the Polish delegation submitted for discussion during the visit?

[Rosati] We raised this issue earlier, but, in the past, the Russians would not talk about it at all. I get the impression that this time they admitted that this is an issue we will have to discuss sooner or later. I expect that in the immediate future I will develop working contacts with Minister Primakov to discuss this subject.

The problem is difficult: The Russians claim that the former Soviet Union is responsible for this and that they themselves are also victims of Stalin's regime. So far they have been paying damages for reprisals taken against their own citizens. No separate regulations have been prepared to give special treatment to any national group. We must achieve a breakthrough on this issue.

[Skorzynski] How did you understand the statement made by Prime Minister Chernomyrdin on "moving borders"? Chernomyrdin said that Poland will anyway remain Russia's neighbor.

[Rosati] I did not have an opportunity to ask him what exactly he meant. However, my interpretation of what he said is: Over the past five years, the borders of the former Soviet Union have changed, new states have been established. The Soviet Union was close to Poland; although Russia is a little farther away, we still are neighbors. That is what Prime Minister Chernomyrdin meant, I believe.

[Skorzynski] As president, Aleksander Kwasniewski has so far visited Germany, Lithuania, Belarus, the Czech Republic, Slovakia, and Russia. Do you not think that one more important country should have been added to this list?

[Rosati] It is impossible to pay all visits at the same time. The president is certainly planning to meet with Ukrainian President Leonid Kuchma, who will pay an official visit to Poland in June.

Poland: Cimoszewicz Interviewed on Policies, Economy

WS1504143796 Wroclaw GAZETA WROCLAWSKA in Polish 1 Apr 96 p 6

[Interview with Polish Prime Minister Wlodzimierz Cimoszewicz by Krzysztof Turowski; place and date not given: "Citizens' Safety and Observance of Law"]

[FBIS Translated Text] [Turowski] Your government is described as one that is continuing the principal guidelines of its predecessors, especially those of Prime Minister Oleksy. But each prime minister has his individual vision. What is new in your government?

[Cimoszewicz] The basic elements of the program the Polish Government has been carrying out, including the economic and foreign policy platforms, have turned out to be useful and have yielded positive results. Thus, we can speak of continuity. One should also remember that my government has a specific time limit for its activity. In approximately one year, parliamentary elections will be held, the result of which a new government will be appointed.

The crucial matter, however, that has not been solved thus far is internal security, citizens' safety. One should absolutely enforce existing laws and their observance.

Personally, I am very rigorous about all citizens' duties to observe the law, especially representatives of public authorities. The latest series of criminal events has caused the problem to be urgent.

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[Turowski] The problem has been of utmost importance for a long time; plans and schedules of preventive actions have also long been prepared, yet one can hardly see the results. Do you see any concrete activities aimed at enhancing citizens' safety?

[Cimoszewicz] There are no quick and easy solutions in this field. It would be dishonest to tell people that one or another decision can bring crucial changes or that the restoration of the death penalty will curb the number of crimes.

It is true that the program of activities zeroing in on enhancing citizens' safety was prepared a long time ago and it is time to implement this program.

In the Sejm, a debate is under way on the amendment of the penal law so that it could become more severe and inevitable to criminals, especially those who are in illegal possession of firearms. In past years, a significant number of firearms have been smuggled into Poland, and we must combat that. But this is not all. To establish a fundamental order, the Minister of Internal Affairs must promptly present further bills on firearms and protection of people and property, which are of great importance to their safety. We are also heading toward the transformation of the Vistula Military Units so that they could be used to fight against crime. However, I would not like to approach the issue in a populist manner and stir up some kind of social hysteria.

[Turowski] Where crime and the economy meet, there is the so-called gray zone, illegal work and trade and smuggling. Do you have any idea how to tackle the problem?

[Cimoszewicz] The extent of the gray zone is indeed immense and causes the state budget to lose hundreds of millions of zlotys.

A precise program has been adopted in this field, too, and I expect an explanation from the finance minister of how it is being implemented.

The activities must be of a multifaceted nature, regarding both legal regulations and reorganization of the customs services.

[Turowski] Are you not a proponent of lowering taxes so that smuggling or avoidance of economic regulations becomes unprofitable?

[Cimoszewicz] I can subscribe to this logic. For instance, two or three years ago, receipts from tariffs on cigarettes and alcohol accounted for a minimal percentage in the budget revenues, which means that a significant part of those commodities were smuggled. Perhaps lowering the tariffs in this case could yield the desired results. The question, however, is, if we lower taxes and reduce the source of proceeds to date, which is so crucial for state revenues, will it be compensated by receipts from the present gray zone?

Apart from this, tariffs continue to be a certain protective umbrella for our domestic, underdeveloped industry. An example comes from the textile sector, for which the influx of cheap textile products from Asia to Poland was destructive.

[Turowski] Within the framework of this liberalization, the regulations pertinent to the purchase of land in Poland by foreigners are being made less restrictive. Does it still raise fears of leading to massive land buy outs, especially by Germans in the western part of Poland?

[Cimoszewicz] Let us be precise. The new law will enable one to buy an area not larger than 4,000 square meters in towns and 1 hectare in villages. Moreover, this process can be easily monitored.

Such rhetoric, allegedly patriotic, ignores the fact that an illegal land turnover is being accomplished through Polish proxies. Thus, is it better to pretend not to see semilegal transactions or enable legal deals?

Such are the rules of the game in Europe, in the Organization for Economic Cooperation and Development, and we either want to accept these rules and be a reliable partner or we want to isolate ourselves.

[Turowski] In this way, we have proceeded to international relations. Your first official visit was paid not to Bonn, Brussels, the Vatican, or Moscow, but to Southeast Asia.

[Cimoszewicz] That visit had been planned a long time ago, and I simply made the previous government's intentions possible. However, the trip was of a pragmatic nature when it came to Polish economic interests. Until now, this big emerging market had been a marginal partner for Poland. The prospects are immense there. I was there three weeks after the summit of West European and Southeast Asian nations.

The lesson I learned from the visit was that these "Asian tigers" earmark a lot of energy and means for the promotion of their own products. This is an example to be followed. Our visit served that purpose. If only one-tenth of all matters, projects, and plans of cooperation we discussed there were implemented, this would be a big success for Polish enterprises and the Polish economy.

[Turowski] But you are going to travel in Europe now, and one of the first visits to pay will be to Bonn?

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[Cimoszewicz] This is going to be a one-day, working visit, but this year an official visit to Germany is also planned. Our contacts are permanent because they are indispensable for both Polish and German politics.

[Turowski] Every visit paid by Polish leaders to the West is related to Poland's accession to the European Union and NATO, and, ipso facto, indirectly to Polish-Russian relations. One politician said that Poland's entry into European structures cannot be arranged solely by Bonn, Paris, or Brussels.

[Turowski] Poland wants to shape its political and economic relations with Russia as well as it can. They are of lesser importance, anyway, when it comes to our membership in the EU, but they are important if Poland is to enter into the North Atlantic Treaty. Russia's stand on this issue is different from that of Poland, the Czech Republic, or Hungary, or the majority of NATO nations.

At the meeting of 12 foreign ministers of Central and East European countries, U.S. Secretary of State Warren Christopher confirmed in a clear-cut manner the willingness to extend NATO entry. Many things indicate that Moscow's tough stance will yield reverse effects from those intended. In Prague, the 12 ministers univocally expressed their opinions about NATO accession. It is not only the problem of these nations, but that of NATO itself, too.

Russia perceives the North Atlantic Treaty the same way it used to during the Cold War.

During his visit to NATO headquarters in Brussels, President Aleksander Kwasniewski pointed out that it is not only Russia's position on NATO expansion, but on NATO itself that is the issue.

I told [Russian] Foreign Minister Primakov during his visit to our country that Poland has the right to a sovereign and independent determination of its own national interests. And the Polish raison d'etat is to be present in European structures. Russia has the right to its own stand, but it does not have the right to impose it on anybody, including Poland.

Poland: Presidential Chancellery Head Interviewed

WS1604083596 Poznan GLOS WIELKOPOLSKI in Polish 4 Apr 96 p 3

[Interview with Polish Presidential Chancellery head Danuta Waniek by Alicja Daniluk-Jankowska and Przyemyslaw Wenerski; place and date not given: "The President Will Manage"]

[FBIS Translated Text] [Jankowska] Who is Aleksander Kwasniewski's Wachowski?

[Waniek] I beg your pardon?

[Jankowska] Who is the Wachowski of the president? Because, supposedly, as a newly invented saying goes, "Everyone has his own Wachowski."

[Waniek] I guess it is a little premature to say. Today we are not dealing with a comparable situation. To be quite truthful, I have never been here before, but I have heard that Wachowski was a character who dominated over the president's Chancellery through various methods, not always official, and he was not always nice to people. Apart from this, he held a high position, that of secretary of state. There is no position like this in the Chancellery anymore.

[Jankowska] Let me put it another way: Who is closer to the president, you or Marek Unger, chief of his office?

[Waniek] You are asking me difficult questions. I do not need to be close to Aleksander Kwasniewski every day...

[Jankowska] ...closer in a sense of influencing the president's decisions.

[Waniek] You should ask the president about this. I do not want to express my opinion on this issue. This is a behind-the-scenes secret. I am not competing with anybody because there is no need to. Naturally, a certain inconvenience, even quite a serious one, is that the Chancellery is not in one location. And if I want to talk to the president undisturbed, in peace and quiet, I have to go from my office on Wiejska Street to Namiestnikowski Palace on Krakowskie Przedmiescie. Sometimes, a few times a day because something is happening and I have to be there.

[Jankowska] Do you plan to move?

[Waniek] Surely not to the president's palace. It just does not meet the requirements of an office building. We are reviewing the governmental buildings. Perhaps we can manage to move a little closer. Obviously, when the president needs me, I can go to him at any moment. He must be sure that his office is functioning properly. And I am obliged to see to this.

[Jankowska] One can get the impression that the new team has an inferiority complex to Walesa. You are doing a lot so that the present Chancellery would be a counterpoint to the previous one.

[Waniek] It is not that ours can be compared to Walesa's Chancellery. To mention at least one reason, we have broadened the sphere of the president's activities. During the reign of Lech Walesa, it was limited to this office plus the Office of Presidential Political Services and the press spokesman. We followed the path of our election program and set up new offices: those of Social

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Affairs, headed by Barbara Labuda, Local Government, whose aim is to ensure that we will do our best to enhance the president's influence on administrative reform in the country, the Office of Analyses and Economic Forecasts... . These are the latest changes.

[Jankowska] Are these bureaucratic measures supposed to be an equivalent of the previous president's councils?

[Waniek] Bureaucratic measures? Is Labuda's 10-person office a demonstration of bureaucracy? Please go there and see how these people are working. There are simply some tasks which stem from the election program, and we must fulfill them.

[Jankowska] What about the National Security Council? You augured its prompt establishment.

[Waniek] In practice, the president immediately took steps so that this Council, which is envisioned in the Constitution, should be set up as an advisory organ. Its existence will be justified only when representatives of the opposition sit on the Council. Janusz Onyszkiewicz has undertaken the mission of making preparatory steps.

[Jankowska] The issue has stirred up controversy. Janusz Onyszkiewicz has distanced himself from the idea of setting up the Council.

[Waniek] As far as I know, during a conversation with the president, he did not refuse. I think that Janusz Onyszkiewicz, who I think highly of, as a reasonable man and knowledgeable about security issues, is not, from the organizational point of view—dynamic enough to get hold of these things and have them brought to conclusion. Thus, if the Council is not established due to a refusal from opposition parties to participate in it, this will not be any tragedy. On the other hand, it would enable people who could not win in a democratic election to take part in decisionmaking processes. But if they do not want to, it is a shame. The president will manage without them, as well.

[Jankowska] Several days ago we talked with Lech Walesa, who noted that the cost of renovations done at the Palace was openly criticized. Now, a low profile is being kept on the money spent on the restoration of [Namiestnikowski] Palace. What is the use of redoing it again, and how much does it cost?

[Waniek] Both of you can read how much it costs from the budget law. On the other hand, Lech Walesa does not need to bridle. He was very hasty to move to the Palace. This is why the repair work was done in defiance of technological processes. And here it is—a beautiful mosaic parquet floor is warping, the plaster is falling off the walls. I have seen it myself. When I asked why it happened, I heard that it had to be done too expeditiously, and now these faults simply need to be corrected.

[Jankowska] What about your declaration as to the "open door" policy of the Chancellery? What do you mean by that? Will Aleksander Kwasniewski follow the example of his predecessor and wait for signals from citizens on the telephone?

[Waniek] President Walesa could afford to have his own duty hours. It may have been a kind of political laziness because I have reckoned that he visited 17 voivodships during five years. In the election campaign itself, we traveled to 47 voivodships. As of the turn of May and June of this year, we plan further visits. Every month, the president will travel to one gmina [smallest administrative unit].

[Jankowska] Do not you see the connection with the notorious visits paid by prominent party aparatchiks?

[Waniek] You can call it any way you wish. I believe it is better to go to gminas than not to go.

[Jankowska] Will the gminas not "paint the grass green"?

[Waniek] Even if it creates an opportunity to mobilize the local community and authorities to action, this can only lead to something positive for gminas. Sometimes such a visit helps make the decisions that the people, for years, have been waiting for.

[Jankowska] Who helps Aleksander Kwasniewski write his speeches?

[Waniek] There are some people who do it because the president has no time to write them himself. But when the text is delivered to him, he changes almost everything, anyway. Apart from this, he hates reading the speeches. His eyesight is not good enough to take a piece of paper and read the text without glasses. He does not want to wear glasses. If he is to reach for the text in his pocket, he prefers to speak "from the top of his head."

[Jankowska] What has not been accomplished during the new 100-day presidency? What are you most unhappy about?

[Waniek] About the insufficient Chancellery budget, which was drawn up to satisfy the needs of Lech Walesa's entourage. We have set up, as I have mentioned before, a few new offices, but we have had to live up to the budget. For financial reasons, we have had to curtail our ambitious plans to undertake some social issues.

[Jankowska] The Chancellery will save on Mieczyslaw Wachowski's salary. After all, in late March, according

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to earlier settlements, he ceases to be a presidential employee...

[Waniek] Regretfully, I would like to inform that Wachowski is to stay in the Chancellery for another three weeks. This is a very complex issue for us. Lech Walesa's remaining ministers left their posts in a dignified manner on 22 December last year. Wachowski first took his due annual leave—although there are a lot of unresolved issues and loopholes in the legal categories, too—and then he began to deliver sick leave certificates on a regular basis, amounting, in sum, to over 100 days. About 20 April, we are going to put an end to the Wachowski case once and for all.

Poland: Defense Minister on Achievements, Plans

WS1504120296 Warsaw POLSKA ZBROJNA in Polish 12-14 Apr 96 pp 1, 3

[Interview with Polish Defense Minister Stanislaw Dobrzanski by Antoni Witkowski and Ryszard Choroszy; place and date not given: "Reforms Yes, but Without Haste"]

[FBIS Translated Text] [POLSKA ZBROJNA] One hundred days have passed since you took over as head of the Ministry of National Defense [MON]. What have you achieved and what are your plans for the future?

[Dobrzanski] I do not know whether 100 days is a proper period for summing up one's achievements. It is true, however, that over the last three months a lot has been done for defense in general. Further steps will be taken in future. I must admit running the MON absorbs me so much I hardly have time for a private life. I simply do not have much time to myself anymore. Perhaps this is due to the fact that many people claim every problem has to be solved by me or with my approval, whereas I strongly believe in delegating duties.

[POLSKA ZBROJNA] You have visited many military units and testing grounds...

[Dobrzanski] That is only natural. I would be a lousy minister if I learned about the ministry only from the top-ranking cadres of the Polish Armed Forces. I have traveled a lot since taking office, and not for the pleasure of traveling. This allowed me not only to meet many lower-ranking commanders over a short period of time, but also to personally inspect the conditions in which the Armed Forces operate. These meetings were very insightful. I have also visited our troops in Bosnia and met with a number of European defense ministers.

[POLSKA ZBROJNA] Work on the implementation of the law on the Office of the Defense Minister will probably be finalized soon.

[Dobrzanski] I hope so. In order to implement the competence law, I established a commission which has already come up with specific projects. At first, we ambitiously predicted we would be ready by the end of March. Life, however, forced us to make an amendment. Many new problems cropped up. This does not by any means imply that the issue will be put off for the indefinite future. It is one of our top priorities at the moment. As for the new type of operations of the MON, consultations are currently underway at the interministerial level, and the project is being considered by the Sejm National Defense Commission. Other executive laws pertaining to the statute and organizational structure of the MON are in the phase of completion. We are restructuring the ministry, but without unnecessary haste.

[POLSKA ZBROJNA] Upon taking office, you declared that staffing at the MON would be reduced by as much as one-fourth.

[Dobrzanski] That was just a general guideline, not a decision or an order. The first effects of activities in this area are already visible. We have saved some 10 percent in spending by freezing hiring in some departments. I wish to add that we are not seeking saving measures at all costs. People cannot be thrown out into the street overnight in order only to cut staffing by one-fourth. The process should be carried out over a reasonable period of time. Those who are to stay cannot be thoughtlessly overburdened with new duties. This leads only to lower efficiency. I do believe, however, that by thinking with more imagination and by employing modern management methods we stand a chance of carrying out the project without undesirable side effects.

[POLSKA ZBROJNA] We have also been hearing about major cuts in the Armed Forces.

[Dobrzanski] If any cuts are made, they will be far-reaching. I can only assure that the process of restructuring the Polish Armed Forces will not be anomalous or carried out with undue haste. You must remember that the costs of reductions are huge. Its benefits are felt only years later. That is why I repeatedly stress that reforms are best carried out slowly and thoughtfully, and the time thus saved should be used for developing proper projects.

[POLSKA ZBROJNA] In letters and telephone calls to our editorial office, many of our readers complain about their poor material situation and fear they might lose their privileges and benefits any day. Some intend to leave the Armed Forces.

[Dobrzanski] I have heard about these problems at the meetings I held with military cadres at numerous

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military units and read about them in official reports. The saddest thing is that the more assurances the MON gives, the greater the fears among soldiers. I cannot understand that. I keep on repeating we will never allow the military to be deprived of the privileges and benefits they currently enjoy. I have often spoken about this with the president and the prime minister. We are jointly seeking solutions to stabilize the social situation of professional soldiers. President Aleksander Kwasniewski treats his duties as commander in chief of the Polish Armed Forces very seriously. I am also very well aware of the current morale in the military community. We will do everything possible to improve the material conditions of the Polish Armed Forces cadres, raise the level of training and upgrade military equipment. Although the Armed Forces must be restructured, the process will carried out as our means and possibilities allow.

[POLSKA ZBROJNA] You frequently travel abroad to talk with politicians and defense ministers. What do you talk about?

[Dobrzanski] During my first foreign visits, the most frequently raised topic was democratic control over the Armed Forces. Today, Western politicians no longer talk about this. They know that the law on the Office of the Defense Minister has become effective. They see what we have achieved and what we are continuing to do to solve the problem of civilian control over the Armed Forces. Legal regulations are extremely important, that is why more attention is paid to the MON's legal activities. Our partners are interested to learn if and how, for example, the standardization of management methods and planning is proceeding, whether we are doing anything to enable relatively quick integration in future.

[POLSKA ZBROJNA] This is necessary to make Poland more credible and accelerate our integration with NATO. Our laws, however, still remain imperfect.

[Dobrzanski] Most of all, we do not have a law on military duty and defense obligations. A draft has already been approved by the Defense Committee of the Council of Ministers and, once minor details are clarified, it might soon be debated by the government. I hope the law becomes effective this fall. The new constitution is also extremely important for the country, particularly the provisions pertaining to the Armed Forces. Several other laws require urgent passing, among them the law on the state of emergency and martial law, on the Military Information Services, on the Military Police, on military discipline.

[POLSKA ZBROJNA] What about military housing? Housing agencies have already been established, but they do not sell any apartments.

[Dobrzanski] I am aware that the operations of the Military Housing Agency are controversial. I do not exclude the possibility that the lawmakers might have erred. I do wish to stress, however, that the law came into effect a mere three months ago. We are currently in the process of implementing executive provisions. I expect the sales of apartments in buildings the legal status of which has been settled will begin in May, and in more complicated cases—the end of this year. Proprietorship issues are the most complex. The cadres should be fully informed about the principles on which apartments will be sold, about all the procedures involved, and whether soldiers will have to pay to acquire property rights to the apartment. I think POLSKA ZBROJNA can play an important role here.

As for the executive provisions, delays within the MON are not huge and, in the majority of cases, justified. We recently investigated the issue, at Prime Minister Cimoszewicz's request.

[POLSKA ZBROJNA] A decision on the selection of a multipurpose aircraft for the Air Force was to be made at the end of February.

[Dobrzanski] Everything is proceeding according to schedule. The commission has submitted its materials to the president and the prime minister, as well as to the interior minister, the foreign minister, and the MON leadership. The president has highly appraised the activities of the commission. Talks and consultations are currently being held at the interministerial level.

[POLSKA ZBROJNA] Will bids be invited for the aircraft?

[Dobrzanski] There should be, and there will be no haste. A real possibility of purchasing or coproducing a multipurpose aircraft will appear only in two or three years' time. We thus have plenty of time for carrying out thorough technical research and developing a feasibility study. Besides, we want to consult the Visegrad states. There is also the problem of training pilots and creating a technical infrastructure. As your daily has reported, I have already spoken about this with the Czechs, and also with the Hungarians. They have not yet reached a decision either. They intend to arrive at a final decision by the end of this year. We want to create a uniform system of monitoring and managing the air space. Moreover, we do not yet know when and to what extent the Polish state will be able to afford to furnish the Air Force with new equipment.

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[POLSKA ZBROJNA] Is it possible to project purchases and modernize the Armed Forces on the basis of the annual MON budget alone? A long-term policy for the Armed Forces has not yet been developed.

[Dobrzanski] The same may be said of other countries. During my visit to the United Kingdom, I asked how they were coping with military planning. They have three-year plans, they even have plans for more than a dozen years, but all are based on projections. A plan based on a projection is worth just as much as the projection itself.

[POLSKA ZBROJNA] What about the lobby supporting the defense and the Armed Forces on the state level? Do you not fear you will be isolated?

[Dobrzanski] A great many politicians in our country treat defense and military issues very seriously. They will probably continue to support the national defense system, which does not necessarily imply full agreement. Considering that more than 80 percent of our citizens trust the Armed Forces, they cannot be neglected. Society would never forgive us. Opinion polls prove we need the Armed Forces.

[POLSKA ZBROJNA] We would like to ask you one final question about the widely publicized talks you held with Minister Grachev in Moscow.

[Dobrzanski] I think POLSKA ZBROJNA did very well by not seeking any scandal. I suggested not establishing a joint Polish-Russian battalion, but holding joint military exercises. Where would we get the resources to finance such a battalion, anyway? Both Poland and Russia want friendly bilateral relations. Besides, the EU and NATO expect this of us.

[POLSKA ZBROJNA] Could you give us any further details about the joint military exercises?

[Dobrzanski] These would be staff exercises carried out no later than by the end of this year. They would be held in the spirit of the Partnership for Peace Project which both our states are part of. Joint exercises of Polish and Russian troops would allow for better coordination and fulfillment of the Partnership for Peace objectives and peace missions. Any fears or premature conclusions drawn from the fact that Polish-Russian military cooperation is being restored are unsubstantiated. The strategic target of the Polish defense policy remains unchanged—integration with European and Atlantic structures of universal security.

[POLSKA ZBROJNA] Minister, thank you for the interview.

Poland: UOP Ends 'Operations' in Oleksy Case

WS1504133596 Warsaw ZYCIE WARSZAWY in Polish 13-14 Apr 96 p 3

[Report by "PS" and "POZ": "The UOP. Deputy Intelligence Chief: Kapkowski Ordered That Operations in the Oleksy Case Be Discontinued"]

[FBIS Translated Text] "The Office of State Protection [UOP] has discontinued operations in the so-called Oleksy case," Colonel Marek Szewczyk, deputy head of UOP's Intelligence Directorate, reportedly confirmed yesterday [12 April]. Szewczyk was being interviewed by the Sejm commission that is looking into the legality of the actions taken by UOP against the former prime minister. The initiative to discontinue those actions was reportedly made by Colonel Andrzej Kapkowski, acting UOP chief.

It is worth recalling that the first to reveal the fact that operations on Oleksy's case were being carried out was General Gromoslaw Czempinski, former UOP head. According to opposition deputies, this issue had been raised earlier, at a session of the commission in late March. The people who talked about the blocking of operations were UOP Intelligence Directorate head Bogdan Libera and Marian Zacharski, a leading figure in Polish intelligence, who did not deal with the Oleksy case.

Meanwhile, Kapkowski, whom the commission interviewed on Wednesday [11 April], reportedly expressed "a very negative" opinion on the entire group of functionaries who were involved in the so-called Oleksy case.

Col. Szewczyk, who was interviewed yesterday behind tightly closed doors, is responsible for the "eastern tasks" of intelligence. He was also part of the group that went to Moscow in late 1991 and that, according to Leszek Miller, collected materials against the Social Democracy of the Polish Republic.

"This issue no longer exists," replied Bogdan Borusewicz (Freedom Union—UW), deputy chairman of the commission, when asked whether Szewczyk had been interviewed in connection with the charges leveled by the head of the Office of the Council of Ministers [Miller]. According to those members of the commission who represented the Democratic Left Alliance, Szewczyk was interviewed as an expert.

Borusewicz said that the commission is planning to talk with two more people only—Internal Affairs Minister Zbigniew Siemiatkowski and Colonel Slawomir Gorzkiewicz, the prosecutor of the Warsaw Military District, who is in charge of the investigation in the

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Oleksy case. Although they are to be interviewed no sooner than in two weeks' time, the UW deputy announced that the commission would "try" to meet the deadline for submitting the final report, which has been set for the end of April.

Poland: Sejm Passes Law on Consolidation of Banks

WS1604103996 Warsaw RZECZPOSPOLITA in Polish 13-14 Apr 96 p 2

[Article by E.O. and J.T.P.: "Under the Leadership of Bank Handlowy and Pekao SA; The Grouping of Banks"]

[FBIS Translated Text] Banks whose capital in its entirety is owned by the State Treasury will be subject to the law on the merging and grouping of some banks into shareholders' companies; the law was passed by the Sejm on 12 April. It was supported by 349 deputies, no one voted against, and one person abstained.

In line with the provisions of the law, banks whose entire capital belongs to the State Treasury, and state-owned companies and shareholders' companies where the State Treasury and the National Bank of Poland are the sole shareholders, will merge to concentrate their capital, which should strengthen their position on the market. The consolidation of these banks should be a prelude to their future privatization.

The groups of banks that will be set up as a result of the consolidation process will consist of a leading bank, either Bank Handlowy SA or the PeKaO SA, as well as two or more smaller banks. The leading bank will have more than 50 percent of the shares.

The banks that will take part in the consolidation (each of them can be part of one group only) will conclude detailed agreements to regulate such issues as the principles and procedure of working out financial policy, as well as the mode of splitting with the group.

Banks that are not subject to the law passed on Friday will also be free to form groups. However, these processes will have to be based on principles envisioned in the banking law.

The law reflects the government's conviction that speedy improvement of the condition of the Polish banking system requires quick consolidation of the existing banks. It is worth recalling that, in 1991, the Economic Committee of the Council of Ministers approved the program of ownership transformations in the banking sector. It envisioned transformation of nine state-owned commercial banks by the end of 1996. So far, however, only four banks have been privatized. A fifth bank will most certainly be transformed this year, but the remaining four still do not have strategic investors who would assume full responsibility for the banks' future development (right now this responsibility rests with the State Treasury).

The government, which has launched an initiative to prepare new legislation on the merging of some banks, believes that this may lead to a situation in which banks without strategic investors will not be able to survive on the market in five or 10 years due to strong competition from foreign banks.

The Sejm approved the proposal that the government submit annual reports to it on implementation of the law. The first report would be submitted by 30 November of this year.

Poland: Daily on Statements by New Public TV Head

WS1604112496 Warsaw GAZETA WYBORCZA in Polish 16 Apr 96 p 3

[Report by "EM, KRZEM": "Miazek's Sinister Words; GAZETA WYBORCZA Roundup of First Statements Made by New TVP Head"]

[FBIS Translated Text] *Miazek: "Journalists must follow guidelines set by their superiors."*

"Society is the state and its democratic structures, and television should offer its services to them. It should not aspire to expressing independent opinions because such opinions are formulated by parliament and other representatives of the state. (...) A journalist follows the guidelines of his superiors," said newly appointed head of Polish Television [TVP] Ryszard Miazek in an interview granted to ZYCIE WARSZAWY's Rafal Szubstarski. He voiced similar opinions in an interview on Radio "Zet." We asked several people connected with the press for their opinions.

Kazimierz Dziewanowski, a journalist writing for RZECZPOSPOLITA: "This is the end of the independent role of television as an instrument of control [as published]. Such a concept of television means that we will have a revolution every time new elections are held, and opinions will change completely."

Dariusz Szymczycha, chief editor of TRYBUNA: "I would like to believe that President Miazek made his statements in a state of shock he has not yet recovered from since having been appointed head of public television. Whenever I hear anyone responsible for editing programs say 'guidelines,' shivers run down my spine. The expression is reminiscent of a bygone era.

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"Why would anyone need to elaborate guidelines when the basic task at hand is to present facts? On political issues, to present various views and opinions, and, on moral issues, to base them on universal Christian values."

Jerzy Urban, chief editor of NIE: "President Miazek is either too stupid or too imprecise for me to fathom his intentions. He might even be accused of being a fascist if he says that 'society is the state and its democratic structures.' Identifying society with the state is deeply rooted in the fascist tradition.

"The majority of statements made by President Miazek are imprecise. What does he mean by 'guidelines'? If he thinks all programs are to follow some guidelines, he is stupid and naive. The most extreme statement, however, was that 'a journalist must follow the guidelines of his superiors.' What a pity that someone who is incapable of precise thinking became head of public television. The job requires a bigger hat size."

Senator Krzysztof Kozlowski, deputy chief editor of TYGODNIK POWSZECHNY: "I have always suspected that President Miazek does not have a good idea of what public television truly is. I hope he will not cause us to miss [former TVP head] Walendziak."

Pawel Popiak, chief editor of ZIELONY SZTANDAR, a weekly published by the Polish Peasant Party: "President Miazek wants to create a citizen-friendly television that would at the same time secure the interests of Polish political groups, a television that would be truly public, independent of the influence of political interests of particular groups [as published].

"I think President Miazek does not want to treat journalists instrumentally but to elaborate guidelines for public television collectively and deliberately. I am certain Miazek wants to appeal to the journalists' conscience and create an atmosphere of joint concern for public television. He himself worked as a journalist for years; therefore, he understands perfectly the specific character of this profession and everything it entails."

Mikolaj Kozakiewicz, journalist, former speaker of the Sejm representing the Polish Peasant Party: "The interview Miazek gave clearly is a harbinger of the hand steering of public television. It reminds me of the days of old, the period before 1989 and even far earlier years, when editors ran to the Central Committee of the Polish United Workers Party for instructions that they later handed down. The journalists followed those instructions. I hope the president is simply inexperienced in giving interviews."

Poland: Scientist Notes Overdependence on Russian Gas

96EP0043A Warsaw RZECZPOSPOLITA in Polish 11 Mar 96 p 12

[Article by Professor Wlodzimierz Bojarski, Polish Academy of Sciences: "A Dubious Strategy for Keeping the Country Supplied With Gas: If the Intentions of the Ministry of Industry and Trade Are Achieved, the Polish Economy Will Become Totally Dependent on the Russian Monopolist, and the Polish Gas Industry Will Be Financially Ruined and Devastated"]

[FBIS Translated Text] The government's assumptions of energy policy until 2010, acknowledged by Sejm in January 1996, are based on, among other things, a forecast of domestic demand for fuel and energy until 2010, prepared at the Institute of Fundamental Problems of Technology, Polish Academy of Sciences, under my direction. That forecast envisages the demand for natural gas at 18 to 25 billion cubic meters in 2010. Being three years old, this forecast is no longer quite topical, but despite the attendant uncertainties no new forecasts have been prepared. Nowadays we would be justified to situate the domestic demand for natural gas in 2010 within the range of 17 to 24 billion cubic meters, depending on the rate of this country's economic growth over the next 15 years.

Domestic gas deposits should have priority in meeting this demand. At present they are being drilled more thoroughly by classical techniques owing to, among other things, World Bank credit. In addition, there are the licenses issued and the drillings under way with the object of extracting methane from coal deposits. It can be expected that, altogether, domestic extraction in 2010 will reach 5 to 7 billion cubic meters of methane, with the lower limit being more likely.

Our second priority is maintaining gas imports from Russia and Ukraine by means of the existing pipelines, which have good connections to the domestic gas distribution network and markets. The traditional yearly gas shipment agreements should be replaced as soon as possible with normal medium- or long-range commercial contracts. In 1990 we collected nearly 8 billion cubic meters of gas from the existing gas pipelines, and we are certain to pick up as much this year. On slightly modernizing this system we could readily receive and distribute nationwide 8 to 10 billion cubic meters of gas in 2010.

The third principal source for meeting our demand for gas should be someone other than the Russian monopolist. This requirement was adopted by the Economic Committee of the Ministerial Council as early as De-

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cember 1992, and it was specified in all professional and scientific expertises. In the next few years it can be met relatively easily by constructing short linkages between the Polish pipeline network in the north and south of this country and the German Ruhrgas pipeline system, or by means of overseas imports of liquefied gas. The amounts of gas that should be imported from these independent sources should be set at 20-25 percent of the domestic demand as a minimum, although under Western European standards that should be 30-35 percent. But even if this lower level of imports from independents is adopted, we would thus receive 3.5 to 5.5 billion cubic meters of gas in 2010.

We are interested in gas intake from the new East-West Gas Transmission Pipeline under construction only if the actual—always uncertain—future domestic gas demand will be higher than the possibilities for meeting it from the aforementioned three sources and directions. Gas intake from that new pipeline will require costly investments in order to link it to the domestic gas distribution network as well as proportionally greater reservoir capacities assuring continuity of shipments in the event of a breakdown.

Two Scenarios

Let us consider two scenarios of gas demand and supply in 2010.

Scenario 1: a slower growth rate of the economy—3 percent annually.

Scenario 2: a faster growth rate of the economy—4.5 percent annually.

Clearly, under scenario 1 the actual need for gas intake from the new East-West Pipeline may be close to zero, while under scenario 2 the maximum need will be up to 6 billion cubic meters, in 2010, if the certainty of shipments is guaranteed and the prices are moderate. In this situation there can be no question nowadays of any contract, including a long-term one, whereby the Polish gas industry would pledge itself to acquire substantial quantities of gas from that new pipeline, and without the right to reexport at that, not to mention the obligation of paying penalties for the gas not used.

Only a medium-term and very flexible contract for small quantities of gas from that new pipeline should be negotiated. But the supplier's credibility must first be proved by means of an earlier negotiation of a long-term and mutually advantageous contract for shipments of gas in the above-mentioned quantity via the existing gas pipelines.

Of course, the figures on Polish gas demand given above are realistic only upon adhering to the existing principle of exclusivity of the domestic owner of the Polish gas distribution system in supplying domestic consumers. Should the irrational possibility of direct supply of gas to major Polish customers (through the mediation of our gas distribution networks made available to third parties) by a monopolist Russian supplier be admitted, as intended in the draft of the new energy law, the Polish importer would not draw upon any gas from the new East-West Pipeline, and then signing a contract for gas imports from that pipeline would no longer be relevant.

A Foreign Gas Supply Strategy

It is shocking to compare the Polish strategy for meeting the gas demand as described above with the answers given by Mrs. Beata Nawrocka, the spokesperson for the Ministry of Industry and Trade, to the questions addressed to Minister Klemens Scierski by RZECZ-POSPOLITA (No. 48, 26 February 1996). Below are some of her statements:

1. In 2010 14 billion cubic meters of gas will be received from the new East-West Pipeline, and that is a priority. The contract is flexible only to the extent that it allows reducing that intake by just 5 percent; should the reduction be any greater, the Polish side will have to pay penalties.

2. The existing import gas pipelines and networks will be used by Poland to the extent of only 5 billion cubic meters of gas (and not 8 or 10 billion), and hence that system will be utilized only in half.

3. Given a lower domestic gas demand, which nowadays is certain compared with the too optimistic assumptions of the gas industry, gas extraction from domestic deposits will be reduced, and hence that possibility, too, will be only partially utilized.

4. Gas shipments to Poland from other directions are not precluded, but no room is left for such imports in the gas balance sheet.

An attempt to translate these assumptions into reality would not only result in making the Polish economy totally dependent on the Russian monopolist but would also cause the financial ruin and collapse of the Polish gas industry. Even now that industry owes a huge debt to the Polish state budget for the gas received in return for that budget's gas development investments on the territory of the former USSR. It is, moreover, in debt to the gas supplier and to the World Bank, which provides loans for expanding gas prospecting and extraction in Poland.

In addition, the assets invested in gas extraction and in the existing transmission system are to be utilized to a lesser extent, and this also applies to the new

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big investments in building systems for the intake and distribution of gas from the new pipeline. Furthermore, the Polish gas industry is then supposed to pay the penalties for any gas not collected from the new pipeline and, to boot, to assure continuity of delivery by expanding the construction of costly underground gas reservoirs. Whose interests are represented by the spokesperson of the Ministry of Industry and Trade, and what do gas customers say to it?

The intent is to bolster further the power and predominance of the Russian gas monopoly in Poland by endowing it (in the draft of the new energy law) with the right to handle, through the mediation of Polish gas distribution networks, direct shipments of gas to major customers. This will additionally hasten the collapse of the Polish gas industry.

Unanswered Questions

Both the ministry's spokesperson and other high dignitaries commenting on negotiations and contracts concerning gas imports refuse to answer many principal questions, taking refuge in the concept of the trade secret. It has already happened quite often that such secrets have veiled the incompetence of the negotiators, their use of superficial arguments, and faulty solutions and decisions.

To avoid similar outcomes elsewhere, the world professional press is publishing a great deal of data on various negotiations and contracts, including those which in this country are kept secret. Both the European Energy Charter and the aforementioned draft of the energy law place emphasis on clarity and transparency of contract terms, concessions, prices, etc. Such are the requirements of the market economy which we want to build.

Who Is Responsible

And lastly, one more dramatic and scandalous issue, concerning the nearly daily gas explosions in Poland. In Milanowek near Warsaw, recently one such explosion destroyed a building which itself lacked gas facilities but which was penetrated by gas leaking from a nearby distribution pipeline. Those largely responsible for all this are the gas distribution facilities belonging to a state company, Polish Oil and Gas Mining and Extraction. That is because no one has released that company from its responsibility, and this should be explicitly noted. Nowadays that company employs four to six times as many people in relation to the quantities of gas supplied as do developed Western countries.

Gas distribution facilities are public utilities and must provide broadly conceived services to consumers, inclusive of facility monitoring and the provision of repair services. Such is the safety requirement, and such are the European standards. The modern Polish gas industry must assure safety, continuity of deliveries, and acceptable prices while at the same time reducing its operating costs markedly.

Poland: Harsh Winter Adversely Affects Crops, Food Prices

WS1204140696 Warsaw GAZETA WYBORCZA in Polish 12 Apr 96 p 1

[Article by Krystyna Naszkowska: "A Bad Year After a Tough Winter; High Prices Becoming Higher"]

[FBIS Translated Text] *Zbigniew Michalek, formerly in charge of agriculture at the Central Committee of the Polish United Workers Party, used to say that God supports any government until he gets to know it well. Could it be that he has gotten to know the current government well? He has certainly become less favorable toward it.*

It is already known that food prices will climb steeply and that the inflation rate projected by the finance minister for this year—17 percent—may prove grossly miscalculated because food prices are already rising every 10 days.

The long and severe winter has had its effect. What was merely a fear one month ago now seems to be materializing into the last gruesome detail. Grain prices have gone berserk and have caught up with those of the world market—wheat currently costs twice as much as it did last year. Eggs and poultry prices are the highest in Europe. Potatoes have frozen in the ground because they were not protected from below—farmers protect the earth mounds in which they store potatoes only from the sides and the top. They did not predict that the soil would freeze to a depth of 1.5 meters. Fish suffocated in lakes because fishermen were unable to supply them with enough oxygen due to the bitter frost. The only relatively cheap commodity in ample supply is pork (its price has not increased for months). Yet the prospect for pigs is not very bright either: A supply shortage is predicted for the fall. Unless we secure cheaper fodder, we will not overcome that crisis soon.

What is worse, the next farming season looks just as dour. Yield predictions are gloomy—grain prices continue to be very high. We will definitely harvest less grain than we did last year. It is still unknown what has become of last year's grain crops. The Central Office of Statistics [GUS], criticized from all sides for miscalculations, obstinately claims that farmers harvested nearly 26 million tonnes of grain, 3 million above domestic demand. No one is able to say whether

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the grain was exported, milled, or is still stored by farmers. One thing is certain—farmers will not harvest as much this year. International outlooks are equally bleak (Argentina is suffering from a crop failure for the fifth consecutive year), which means that prices on world commodity markets will be high. This, in turn, will cause the price of flour, bread, and meat to grow (because fodder will be more expensive).

The long winter, during which we had weeks on end without any snowfall, has decimated winter crops, particularly in central Poland. In March, the layer of ice formed by the snow, which melted during the daytime, ultimately killed plants. Cautious GUS estimates claim that some 20 percent of grain fields will have to be ploughed over. Rape crops look even worse—already in the fall rape did not have good conditions to grow, and winter completed the process of destruction. Thus, rape will be very expensive this year.

Farmers will substitute the frozen plants with spring crops, but their quality may not be very high. Although spring weather set in a couple of days ago, the earth is still frozen, and all of the water from the melting snow is evaporating instead of sinking into the ground. Spring is not only late, but, to make matters worse, it might turn out to be dry.

Spring is indeed late. Last year, in the south of Poland, farmers planted beets in mid-March. This year they are one month late already. Moreover, the belated spring is causing field work to accumulate. Apart from the routine work done at this time of year, the farmers have to plough the winter crop fields, sow spring crops, plough the rape fields. Under the circumstances, there is no time to look after other crops; farmers will probably give up some field work, which will have further impact on the quality and quantity of the harvests.

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Romania: Nastase Discusses Elections, Party Relations

AU1104185496 Bucharest EXPRES MAGAZIN in Romanian 2-9 Apr 96 No 13, p 5

[Interview with PDSR Executive President Adrian Nastase by Ileana Lucaciu; place and date not given: "I Must Defend My Public Image"]

[FBIS Translated Excerpt] Since the PDSR [Social Democracy Party of Romania] was founded four years ago, Executive President Adrian Nastase has been considered one of the most important leaders of the party. With the PDSR fully involved in the election campaign, we requested an interview with Mr. Nastase, whom we asked to explain certain things about his party, as well as himself.

[Lucaciu] You have been at the center of attention of the media, which admonishes you—lest I should say it accuses you—of several things....

[Nastase] This is because it is an election year. The PDSR is being attacked from three sides—first, by the initial opposition, the CDR [Democratic Convention of Romania], second by the PD [Democratic Party], which represents a different opposition, and third, the opposition situated to our left, including the known parties. Thus, the PDSR remained the only party to support the government, except for a helping hand sometimes lent by the PUNR [Romanian National Unity Party]. Despite the fact that the standard of living has dropped, as they claim, and that the country's economic performance is not exceptional, the PDSR managed, as proved by most public opinion polls, to maintain its popularity at a level of 25-30 percent. Those who have followed the PDSR's evolution over the past four years have noticed that our party has changed a great deal, and there are people who believe that my role in these changes was quite important. Hence, I am considered a special target in this election campaign. Furthermore, there is another aspect, too—namely, that political parties still live through their leaders, meaning they were born around their leaders and have not reached the level of their institutionalization. Therefore, political personalities play a major role in their lives. By attacking party leaders, the impact of the attack on those parties is quite considerable. Everybody knows this by now, and there are certain parties that have even set up diversion groups, the task of which is to discredit the leaders of rival political parties. I do not wish to go into detail, but such actions are materializing in the current election campaign—for instance, doctored-up photographs under headlines such as "Gigi Kent [businessman currently under arrest for illegal dealings], the Bosom Buddy of Adrian Nastase." This headline is based solely on the fact that I have visited the town of Focsani a few times. Politicians who are in a similar situation would be well advised to start defending their public image. I intend to sue the author of that article—a civil suit, not a penal one—and I am only asking for moral damages worth 1 leu because I feel that I should defend my public image whenever I am attacked for no reason. [passage omitted]

[Lucaciu] Let us return to the election campaign. How would you account for the increase in presidential candidates running on behalf of the left wing, candidates who in 1992 supported Ion Iliescu?

[Nastase] The answer is quite simple. All of the parties are trying to attach themselves to a locomotive that will be able to pull as many cars as possible in the parliamentary elections. Each of the parties you mentioned, as well as those of the opposition, believe that by having candidates run in the elections means additional advertising for their parties. There are candidates who know perfectly well that they do not have any chance of being elected, but they still run to increase their party's chances to the maximum.

[Lucaciu] I agree, but in 1992 these candidates supported Ion Iliescu and now, in 1996, in the first round of elections, they will be running as his adversaries. Where have they left their political backbone?

[Nastase] Well, politics is politics! Think of what happened in the French elections, in the first round and in the runoff. Such things are absolutely customary and unavoidable. However, maybe we should introduce a certain rigor in our election law. Presidential candidates need 100,000 signatures to run. In my opinion, this should be increased to 250,000, a limit that is also requested for legislative referendums, and also to increase the electoral threshold to 5 percent [for political parties to be able to enter Parliament]. I think we made a mistake when we passed the law on electing mayors, where we should have also stipulated, as a prerequisite, following the presidential election model, a certain number of necessary signatures. [passage omitted]

[Lucaciu] A topical issue today is PDSR-PUNR relations. Mr. Funar's party issued a declaration, which you considered "civilized," about your alliance. Nevertheless, at the news conferences I attended, I could see that the PUNR is still attacking the PDSR.

[Nastase] Generally, we only react if what they say is below a minimal limit of decency. I do not believe we will ever be able to reform the PUNR, not that we set this as a task for ourselves. It is a party that does exist, it has parliamentarians who more or less vote for the things we do. Some people must find it tempting

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to break relations with the PUNR. I do not believe, however, that we have any such suicidal spirits, which would lead to our clear defeat on all fronts, especially considering that the opposition is regrouping its rows and trying to congregate. We should not be regarded as naive people who understand nothing about these plots to permanently push us toward splitting from all other parties so that we would become easier prey for political parties of the opposition.

[Lucaciu] Another topical issue covered by the press is the assertion by PDSR Vice President Alexandru Lapusan that the BNR [Romanian National Bank] loan worth 1,100 billion lei, which is necessary for agriculture, will be achieved "by increasing the monetary mass."

[Nastase] He meant that as a joke, since he was asked about it while going down the stairs of the building where he had held a news conference. I do not think they should comment on it. They should ask the people leading the BNR instead. [passage omitted]

[Lucaciu] Let us return to the election campaign. If Ion Iliescu decides to run as an independent candidate and the PDSR chooses you as its candidate, will you accept?

[Nastase] That is an unrealistic question. There is absolutely no doubt that our party will support Ion Iliescu. During our national conference, he confirmed that in the event that he does decide to run, he will only do so on behalf of the PDSR.

[Lucaciu] I think you are one of the most authorized persons to make a forecast: When will the local and parliamentary elections take place?

[Nastase] The local elections will take place at the end of May, while the parliamentary ones will take place in October.

Romania: Intelligence Official on Crime, PKK Activity

AU1504184596 Bucharest AZI in Romanian 9 Apr 96 p 12

[Article by Calin Popa: "The SRI Wants To Make Magureanu Look Like the Victim of a Coup"]

[FBIS Translated Text] A news conference was held yesterday at the headquarters of the Timis County branch of the SRI [Romanian Intelligence Service], which was attended by Colonel Vasile Petrea, chief of the county's intelligence section, and SRI spokesman Nicolae Ulieru. On this occasion, Ulieru said: "I have very good relations with the press, regardless of their political orientation, except for the scandal papers—namely ROMANIA MARE and ZIUA, which do not observe any moral rules and lack professional uprightness." Furthermore, Ulieru denied that the SRI is carrying out any actions specific to the political police, pointing out that the wiretapping of telephone conversations or the monitoring of mail is done on the basis of authorization given by the General Prosecution.

Commenting on the "Magureanu file," Ulieru said the theft of the file on the [Securitate] resident officer past of the current SRI director was the personal initiative of two officers, Petre Pele and Ion Adamescu, their goal being to oust Magureanu from the leadership of the institution [sentence as published]. Ulieru warned that in the current electoral year, it can be excluded that information could be leaked to the press about any persons, regardless of their political beliefs.

Petrea said that the Timis section of the SRI is aware of the fact that certain Italian citizens, acting under the cover of seemingly legal businesses, are members of ill-famed Mafia-type Italian organizations, such as the Satra Coronna Unita, the Camorra, or the Cosa Nostra. These persons are engaged in drug trafficking and money laundering. He also broached the issue of the Kurdish Workers Party (PKK), which is carrying out important business activities in this region with the intent of gathering funds needed for its financing.

One piece of new information that was revealed at the news conference referred to the fact that on the initiative of certain Arab citizens living in Timis County, the necessary documents have been registered with the court to set up the Democratic Union of the Arab Community in Romania. In Petrea's opinion, the legalizing of this union would offer a different status to its members, which could go as far as acknowledging them as an ethnic minority bestowed with the due rights, including seats in Parliament.

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Slovenia: Parliament Approves EU Integration Platform

AU1104145196 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 11 Apr 96

[FBIS Translated Text] We have just learned from the State Chamber that parliament approved the conclusions and platform on Slovenia's relations with the European Union, Italy, and NATO. By doing so parliament has chosen the path for our European integration.

Slovenia: Text of State Chamber Platform on EU, Italy, NATO

AU1504171696 Ljubljana DELO in Slovene 13 Apr 96 p 2

[Text of the "Platform and Conclusions on Slovenia's Relations With the European Union, Italy, and NATO," passed at the extraordinary session of the Slovene State Chamber on 11 April]

[FBIS Translated Text] 1. The objective of the Republic of Slovenia is full-fledged membership in the European Union.

2. The objective of the Republic of Slovenia is membership in the European Union by the year 2001. It is in the interests of the Republic of Slovenia to sign the European agreement on associate membership of the Republic of Slovenia in the European Union as an intermediate step toward full-fledged membership of the European Union. The State Chamber concludes that one of the essential preconditions for equal membership of the European Union is also an open real estate market. The State Chamber expresses willingness to relax the real estate market in the Republic of Slovenia pursuant to this fact. The State Chamber authorizes the government to sign the European agreement on the associate membership of the Republic of Slovenia in the European Union on the basis of the EU views expressed in the conclusions of the Madrid summit of the European Council and the resolution of the European Parliament. With the proposal for the change of the Constitution, which it has already proposed to the State Chamber, the Government of the Republic of Slovenia has clearly expressed its readiness for the harmonization of the Slovene legislation with the legislation of the EU members. The State Chamber will form a special working commission for relations with the European integrations.

3. The State Chamber again emphasizes that Point 9 of the State Chamber platform and conclusions on the relations with the European Union and Italy (passed on 29 March 1993) cannot be interpreted as that the Republic of Slovenia, as one of the successors to the Rome Treaty (1983), would settle a portion of its financial obligations to the Republic of Italy through the restitution of the option-takers' [Italians who left after World War II] real estate.

4. The State Chamber will intensify its efforts for the harmonization of the Slovene legislation with the legislation of the EU member states.

5. The Republic of Slovenia will apply for membership in the European Union. The final decision on entry into the European Union will be made by the citizens of the Republic of Slovenia at a referendum.

6. The Republic of Slovenia wishes to secure its fundamental security interest within the collective security system that allows NATO membership.

7. With membership in the Western European Union, the Republic of Slovenia wishes to accomplish an important element of integration with the European Union.

Slovenia: Foreign Minister Thaler Views EU Membership

AU1604102596 Ljubljana DELO in Slovene 6 Apr 96 pp 35-36

[Interview with Zoran Thaler, Slovene minister for foreign affairs, by Sasa Vidmajer; place and date not given: "For Slovenes, a Compromise Is a Defeat, a Loss of Honor, a Broken Backbone"]

[FBIS Translated Excerpt] [Vidmajer] The foreign policy discussion at the irregular meeting of the state chamber has divided parliament. Rational explanations have failed. How do you evaluate the current situation, which will obviously not end fatally—will the Spanish proposal be accepted in the end because the coalition has agreed upon it?

[Thaler] I would not evaluate the conditions as being fatal. On the contrary, it was useful for Slovenia that it was shown what alternatives and visions really are in existence, and what we can expect from them. It seems to me that my introductory presentation showed very well and also gave a forewarning as to what is of no use for Slovenia and what kind of philosophy is of no use to foreign policy. I am talking about the logic of being "for" and also "against" Europe, that we do want Europe, but Europe must not come to us. In one way I am satisfied that I foresaw the flow of the discussion, but on the other hand I am dissatisfied with the fact that the parliament, along with its most eminent representatives, got stuck in a position where it could no longer make decisions. I think that this is a problematic signal that was sent abroad, to Brussels and to the European Union [EU]. It is something to feed on for those that have

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been claiming for a while already that the problem is in Slovenia, specifically in the Slovene parliament. [passage omitted]

[Vidmajer] The government is in an unenviable position. The problem is that it does have arguments, but it could not handle the frankness regarding the Spanish proposal. Its authenticity has been decreased due to these past errors.

[Thaler] The problem of Slovene foreign policy has already for a while been its excessive dependence on internal politics. The very example of the Spanish proposal has shown how the foreign policy can be distinctly instrumental from the point of view of some political options. The European Parliament President Klaus Haensch correctly concluded that it is not a Spanish proposal, but a proposal made by the EU presidency. [Passage omitted]

[Vidmajer] Will the state chamber, if the Spanish initiative is supported, not actually agree to something that could have been done a number of months ago?

[Thaler] The question is when is the best time to make a certain decision. I am afraid that even one and a half years have not been enough to prepare the internal political terrain. This was also shown by the parliamentary discussion.

[Vidmajer] Do you not think that the time is now inappropriate for a discussion about the key issues of foreign policy? The government has been putting this off for quite a while.

[Thaler] This could be the principal opinion, although it is a problem that we are in an election campaign period. The government cannot dictate the time of the discussion to the parliament. When I was appointed Foreign Minister last year, I wanted to make possible a broad and qualified parliamentary discussion about foreign policy. I wanted to do this with the help of the proposal of foreign political directives that the government had agreed upon and had sent to the parliament in June. That was the opportunity that we should have used, instead of spending the entire autumn listening to bosh about our not having a strategy for foreign policy.

[Vidmajer] Just a few months ago the prime minister was still saying that we are not in a hurry to get close to the EU. Now the government is trying to convince its audience of the opposite.

[Thaler] I think that extremes are not good. It is a fact that Slovenia has been added to the 10 candidate states, but in fact we are constantly one or two steps behind, since we are having trouble signing the cooperation agreement, the negotiation agreement, and the initialization. If we miss another year, then this battle will be much harder if the contents of the European presidency's proposal are to be declined. The difference between their progress and our lagging behind will increase to such an extent that, against our will, we will be viewed less and less as a serious membership candidate. When the responsible people in the EU say that they will begin negotiations with two to four central European countries in 1998, they are still keeping us in mind, especially because of Slovenia's economic and other results. However, they also want Slovenia to have a clear standpoint on the matter—that we would like to be in this group. They do not receive this picture if they see such scenes in the parliament. Some people here are convinced that Brussels is keen on getting us into the EU. Let me expand [karikirati]: an entire staff of people is supposedly dealing only with Slovenia, studying how to get as much out of us as possible, looking for our weak spots. They might misunderstand our indications that Slovenia's goal is the EU, so we will raise the price. I do not resent such a transposed logic from people who work only in a domestic area. However, I do resent it when it comes from those who have numerous international connections, who are representatives of Slovenia in international organizations and know that all this does not exist. It is not true that we have an infinite period of time. We do have time for the concept of being self-sufficient but not for the concept of preserving Slovenia in a nonisolated manner.

[Vidmajer] By the way, is the cooperation agreement also a problem? When will it expire?

[Thaler] The problem of the cooperation agreement is not in its expiration, but that, on the political connection level, it means less than the association agreement. Moreover, this would give the opportunity to those who might not wish the best for Slovenia. Its relatively great usefulness would considerably decrease in the case of the awakening of other countries of former Yugoslavia, primarily Croatia and the Former Yugoslav Republic of Macedonia [FYROM]. Not even to mention the political effect if we were to find ourselves in the same position as the other countries of former Yugoslavia. I believe that there is no realistic possibility of our being pushed into a kind of Balkan or Yugoslav union. However, the danger exists that a white spot might appear on the map, which might fit the map of former Yugoslavia. [Passage omitted]

[Vidmajer] Both you and the Prime Minister [Janez Drnovsek] have recently been repeating the fact that Slovenia will submit its application for full membership if it is not able to sign the European agreement. Is this not in contradiction with the conclusions of the Essen

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summit, which defined the associative membership as the path to full membership? Is this only a symbolic move on the part of the government, which is to emphasize our lagging behind on the way to the EU? The government's decision could also be seen as a flirtation with the public, which is possibly susceptible to such logic because of the combined feelings of smallness, inferiority, and overpotency [prepotentnost].

[Thaler] The idea of submitting an application for full membership is the consequence of rational consideration. We spoke about this with many EU foreign ministers, and most of them judged the idea as being interesting and good. Those whom we consider allies of Slovenia and who sympathize with the idea of Slovenia's joining the EU were especially convinced of this fact. A negative attitude could be seen from those around us who would like to see Slovenia outside the Union. This was preeminently a political gesture that should have a number of effects, in foreign as well as in domestic policy. Regarding foreign policy it would mean that they would definitely put Slovenia onto the agenda. The German foreign minister, in a recent discussion with me, made an interesting remark. Namely, that Slovenia is not loud enough. The decision would therefore demand that some decisions be made by the Council of EU Ministers and would also directly contribute to increased chances of signing the association agreement. Not to mention the need for Slovenia to be in the group of countries for which the European commission is formally making an attestation of capability for full membership in the EU. This work is to be finished by the end of 1996.

Concerning domestic policy, I see our putting our efforts into the perspective of a full membership as having an important effect. A number of parliament members could not avoid the logic that the price that we are paying for the associate memberships is too high. [Passage omitted]

[Vidmajer] What are your relations with the Prime Minister like? Is there any truth in the allusions that Prime Minister Janez Drnovsek does not worry about you when your position is at stake, but would also like to attribute successes in foreign policy, should there be any, to himself....

[Thaler] There are numerous rumors. I would like to repeat that cooperation between the Prime Minister and myself is conducted in a correct manner and that the foreign policy, as I direct it, is also the policy of the government and its head. It is understandable that there are sometimes differences to clear up, but we have so far always been able to find a common position. The time for all the interesting events that are happening now, is when people begin to write their memoirs and not while these processes are still going on.

[Vidmajer] New names are sometimes mentioned for your position. Do you ever discuss this with the Prime Minister?

[Thaler] We have not spoken about this yet. I thought you would first ask me whether I will resign. I would have answered that all options are open.

[Vidmajer] Do you admit to any mistakes?

[Thaler] I am a person who has a human opinion of himself, in other words, a rather high opinion. However, I do not think I am perfect or that I am not capable of learning anything. If I reproach myself for anything, then it is the fact that it was sometimes necessary to act in a more resolute manner, more clearly, to emphasize "either-or" alternatives more distinctly, and not to count so much upon the fact that the process alone will lead to the necessary conclusions. Perhaps one should be less diplomatic in the decisionmaking process at home, and save the so-called diplomacy in communications for the place, where I in any case use it to a great extent, that is in relations on the international level.

[Vidmajer] Has Slovene diplomacy tried to reach a breakthrough in relations with Croatia considering the failure in negotiating with Italy? However, the meeting with [Croat Foreign Minister] Mate Granic was canceled. Does this mean that all is as it was, without either side being prepared to make a compromise?

[Thaler] First of all, something about the talks with Italy. I consider the fact that the so-called agreement was not achievd as one of my greater successes. I saw relatively quickly that a balanced agreement was impossible at this time. I am therefore convinced that we dealt with this issue correctly because we temporarily made a turn into a dead-end street. These agreements should take place when Italy is prepared for solutions that will be mutually useful and beneficial.

We have considerable dealings with Croatia. High level visits are still at the preparatory stage. The diplomatic representatives are working at an accelerated rate. I am convinced that agreements will be needed at the next meetings and that there is no use in meetings that end without agreements.

[Vidmajer] Would you agree with the evaluation that the unsolved issues with Croatia are inflated and that relations could be moved further with more political will?

[Thaler] I completely agree with the evaluation that the entire area of mending matters with intercountry agreements is overinflated and politicized. Career diplomats

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have too few possibilities to try out [preigrati] the possibilities, to tell how far diplomacy has come, and then suggest options, variations, and compromises for politics. There is too much advance politicking and the setting of criteria for success, failure, profit, loss. And because we are a masochistically oriented nation, some people endeavor to create the image that we are constantly losing. We know of nations that do the exact opposite in our not so distant neighborhood. Whatever happens to them, they always interpret it as their victory. Such extremes are not useful. What is important is rational relations, and not relations of fate. In short, everything is supposedly going to bury us. Such an atmosphere is very unsuited to making agreements. [Passage omitted]

Slovenia: Ministry Denies Rumors of Normalization With FRY

AU1504153396 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 15 Apr 96

[FBIS Translated Text] Naturally we checked the TANJUG report in the Slovene Foreign Ministry. We were told there that Belgrade has not replied to the recognition note that Slovenia issued on 4 December 1995 until this very day.

We recognized FRY as one of the successor states to the former Yugoslavia. Due to pressure from the economic circles primarily, our country unofficially tried to take stock of the situation, but it never received any reply. There were no other official initiatives, we were told in the Foreign Ministry.

To verify rumors that Zivko Pregelj will be the first Slovene ambassador to Belgrade, we called the Mercator enterprise. Its director, Zivko Pregelj, told us the following:

[Begin recording] Slovenia's mission in a foreign country is a very serious topic, and I am convinced that the incumbent Slovene authorities would treat it very correctly and properly. Therefore, there is no need to pay attention to the whispering of the foreign media.

I must say that none of the incumbent officials has asked me anything of the kind regarding me. Even if one had done so, although honored, I would nevertheless have declined such a position because I am very busy heading Mercator. This job is a tremendous challenge for me, and I will be happiest if the stockholders are satisfied with me for the duration of my mandate, which has still quite some years to go. Therefore, this is completely out of the question. [end recording]

Slovenia: TANJUG on Normalization of Slovenian-FRY Relations

LD1304190096 Belgrade TANJUG in English 1558 GMT 13 Apr 96

[FBIS Transcribed Text] Ljubljana, April 13 (TANJUG)—Slovenia will soon propose a normalization of relations and exchange of ambassadors with Yugoslavia, sources close to the Slovenian Foreign Ministry told TANJUG on Saturday.

Slovenia's plan for establishing contacts with Yugoslavia will give preference to the economic linking, revival of trade relations and transit, the sources said.

The initiatives are said to include an offer for political contacts, because the Slovenian political top has been pressured by businessmen who have demanded the establishment of links with Yugoslavia.

Belgrade's increasingly frequent contacts with the international community are another reason for Ljubljana's abandoning of the strategy of isolating Yugoslavia.

The Slovenian Foreign Ministry is reviewing a number of proposals for Slovenia's first ambassador in Belgrade, including former Yugoslavia's last Vice Premier Zivko Pregl who is now director general of Slovenia's Merkator business system.

In the April 1992 constitutional declaration, Yugoslavia expressed readiness for promoting friendly relations and cooperation in the region and later that year, confirmed its commitment by recognizing Ljubljana authorities.

Slovenia, whose 1991 secession from the former Yugoslavia was followed by a several-day conflict with the then Yugoslav Peoples Army, rejected the recognition.

Slovenia: Montenegrin Government Delegation Arrives

AU1504151296 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 15 Apr 96

[FBIS Translated Text] A Montenegrin government delegation arrived for a two-day visit to Slovenia today. The delegation wishes to exchange experiences in privatization and the restructuring of the economy with the Slovene partners. The guests held talks with the representatives of the Economic Chamber of Slovenia this morning. The head of the Montenegrin delegation, Trade Minister Dusko Levicevic, emphasized the interest of the Slovene economy for the resumption and strengthening of cooperation with Slovene companies and, here, he particularly stressed the possibility of creating mixed companies.

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Jozko Cuk, president of the Slovene Economic Chamber, presented the development of the Slovene economy since the independence and stressed the interest of the Slovene companies in establishing cooperation between the economic chambers of Slovenia and Montenegro.

Slovenia: Physicians End 3-Week General Strike

AU1504160896 Ljubljana DELO in Slovene 12 Apr 95 p 1

[Article by Diana Zajec: "Physicians End Strike, Will Resume Regular Work on Monday"]

[FBIS Translated Excerpt] Ljubljana, 12 April—At 1900 today, following a whole day of coordination and repeated negotiations, the government and Fides [physicians' and dentists' trade union] signed the agreement that was initialed last night, that is, an annex to the collective agreement. The physicians' general strike is, thus, over. Hospitals and medical centers will resume normal operations on Monday. [passage omitted]

Slovenia: TAM To Sell Vehicle Technology to Bosnia

AU1504190596 Ljubljana DELO in Slovene 12 Apr 96 p 5

[Article by Danilo Utenkar: "Trucks of Maribor TAM To Be Manufactured in Tuzla"]

[FBIS Translated Text] Maribor, 11 April—On several occasions last year the management of Maribor TAM announced the sale of its technology and now it has finally come close to signing its first agreement. Joze Lukaric, chief of the emergency administration, today announced that they had signed a letter of intention for the sale of the entire technology of the TAM 90 truck, better known as the Tamic, with the Bosnian company Tuzlainzeniring. The chief did not specify the value of the deal, and evidently this will still be a subject of negotiations prior to the sale.

TAM was also visited today by representatives of Famos from Hrasnica [in Bosnia-Herzegovina] with whom they have also started negotiations on the sale of technology. The talks are veiled in secrecy; however, apart from the production line for trucks, they will evidently also sell the technology for the manufacture of special purpose and military vehicles to Bosnia-Herzegovina. Over the next few days Joze Lukaric will visit Iran, with whom they are about to sign an agreement worth 25 million German marks. The Maribor-based factory has been selling spare parts for trucks, buses, and motors to Iran for quite some time.

A secret TAM invitation for bids for the sale of its real estate has caused quite a commotion lately, although it has been evident for a while that this could not be avoided. The TAM management, evidently with the agreement of its new owner—the Development Fund—hurried along with the actions, which its opponents deem a cheap sale. The management, naturally, replies that this merely involves collecting offers on the basis of which they will be able to carry out the sale. This will probably be discussed at today's talks of [Economics] Minister Metod Dragonja with the representatives of the banks-creditors.

So what has TAM decided to put up for sale for the time being? First there is a distribution center for spare parts, which sports 11,680 square meters of covered surfaces, 2,807 square meters of office space, 12,000 square meters of asphalt-covered surfaces, and 72,646 square meters of functional land. TAM is also selling the installations and the land of TAM Bus in Gornja Radgona and the brake factory in Ptuj.

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Federal

FRY: Lilic Says Return to International Community Under Way

LD1404130196 Belgrade TANJUG in English 1214 GMT 14 Apr 96

["Pool" item]

[FBIS Transcribed Text] Kragujevac, Serbia, Apr. 14 (TANJUG)—Yugoslav President Zoran Lilic said on Sunday [14 Apr] that Yugoslavia was on the way to a complete return into the international community and its institutions.

'The sovereignty and state and legal continuity of Yugoslavia are no longer disputable,' said Lilic in an interview to Radio Kragujevac, adding that there were already 17 ambassadors in Belgrade.

He said every day announcements on normalization of relations were coming from the European Union and other countries.

Lilic said these recognitions were the result of Belgrade's principled and consistent peace-making policy, which has reaffirmed Yugoslavia as a key factor of stability in the Balkans and southeastern Europe.

'Peace is necessary in order for us to get moving and use our developmental potential...but also to efficaciously protect the legitimate rights of Serbs in the former Yugoslavia,' said Lilic.

He said the role of the international community in the crisis in the former Yugoslavia 'has not always been positive.'

The mistakes that were made, the biased and protective attitude toward the seceded republics and their leaders on the one hand, and the punishment and demonization of Yugoslavia and the Serbs on the other, stirred up the crisis and precipitated civil war, he said.

Lilic said that with the signing of the Dayton (Bosnia) accord and the Erdut (Eastern Slavonia) agreement, the international community had for the first time begun to apply principles of equal treatment to all sides and confirmed the legitimacy of the interests and rights of Serbs outside Serbia.

'The result of this is the recognition of Republika Srpska as one of the two entities in Bosnia,' he said and added that Yugoslavia was the only signatory to the Dayton accord that had fulfilled all its commitments.

Lilic said Yugoslavia was open and prepared for cooperation with all countries that wanted equal and mutually beneficial relations.

'We have no need to use cheap political promotions to make certain countries or groups like us,' he said and added that Yugoslavia had no reason to be on the 'side of the East' or on the 'side of the West.'

Full normalization of relations with former Yugoslav republics is an essential precondition for consolidating the peace process, said Lilic.

He said the process of normalization with certain former Yugoslav republics, such as Macedonia, for instance, went faster, while with others it was slower.

'Where there remain open issues, such as in the case of Croatia, owing to the question of the (disputable border peninsula) Prevlaka, normalization will proceed gradually, until issues of dispute are settled and problems resolved,' said the president.

He said solving the crisis in the former Yugoslavia gave impetus to strengthening cooperation and reviving inter-Balkan cooperation.

Yugoslavia is equally interested in the so-called 'Black Sea initiative' and in the creation of a free trade zone between central and eastern European countries, he said.

However, said Lilic, there were 'unfortunately other initiatives' that were opposed to peace, such as the recent meeting of ministers of certain Balkan countries and the United States in Tirana.

'I am convinced that the meeting was an attempt to make new divisions in the cramped Balkans,' said Lilic.

FRY: Avramovic Calls Federal Proposal on SFRY Debt 'Crazy'

AU1504160396 Belgrade NASA BORBA in Serbo-Croatian 12 Apr 96 pp 1-2

[Article by J. Kesic and T. Jakobi: "I Have Managed To Avoid Having My Head Chopped Off for the Time Being"]

[FBIS Translated Text] Belgrade—"I am satisfied, but I have promised not to reveal the Council's decision," [National Bank] Governor Avramovic told us after the four-hour and, according to Avramovic, crucial session of the National Bank's Governor Council that was supposed to pass a decision on stopping all loans as of 15 April. Governor Avramovic demanded that he should either be given free rein for negotiations with the IMF or he would implement this unpopular measure.

"I was granted a sort of mandate and the promise that certain things would be accomplished by 15 April," the governor said yesterday and announced that another session of the Council would probably be held on Monday, at which the issue of stopping loans would be

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reviewed once more. "When I told Mr. Dragan Tomic that further loan restrictions could be introduced, he went green in the face," Avramovic said.

"Our situation is now even more critical than prior to the negotiations with the IMF. It is an illusion to expect their delegation to come to Belgrade any time soon. From what I can see, they are not exactly in a hurry to come here," the governor said and confirmed that neither he nor Deputy Federal Prime Minister [and Finance Minister] Jovan Zebic had heard from the IMF delegation, which is "yet another negative element." In answer to whether it was possible that the IMF would now accept our stances regarding continuity and initiate the process of readmission (which would postpone negotiations for at least six months), the governor said that there was a likelihood of this happening. "I still believe that the IMF will contact us again, probably in writing and with the proposal already presented in Paris," the governor said, and described our negotiators as "arrogant cowards" who "first reject and then agree to everything...."

"Now both we and the IMF hold the key," Avramovic said, adding that sanctions had not been mentioned in contacts with the IMF and the World Bank. "No political conditions were presented in Paris, but I was told by diplomatic circles both here and in London that certain political conditions could be set for reestablishing cooperation with the IMF. I am very much against this," Avramovic said. When asked to explain his conflict with the government, Avramovic said that he was not in conflict with the government, but if it is in conflict with him, then the issue should go to the Federal Assembly.

"If things turn out this way, I too will go to the assembly, and I can guarantee that it will be very stormy and dramatic," Avramovic said.

When asked again what he thought his fate would be, the governor said that a meeting held on Monday had discussed having his head chopped off, but that he had managed to avoid that for the time being and had no intention of resigning. He reiterated that neither the Serbian president nor others "who are pretending to be ill" had answered his letter. "However, some of those to whom I wrote are supporting me 100 percent," the governor said. He added that "there is a possibility that I will be meeting with Milosevic again after the Council session."

The governor said that the resistance to the IMF agreement was primarily of an ideological nature because there is a belief that this will put us in the hands of the capitalist world; the other purely practical aspect of the resistance is a desire to maintain monopolies and a fear that the IMF will penetrate every pore of our lives and that we shall no longer be able to run things the way they are run now.

"This is just a manifestation of deeper internal problems that are unavoidable. Conducting a centralized activity at the international level is a sure way of losing the battle," Avramovic said. [sentence as published] "The conflict regarding the IMF agreement is just an introduction to a much greater conflict involving privatization, and it will happen soon," Avramovic said. "Our choice is either Program 2 or Angola, and I believe that our people are too smart too agree to that," Avramovic concluded.

[Box, p 2]

A Decrease in March Export

"Exports decreased in March and I have no explanation for this. This is all the more reason to reach an agreement with the IMF in order to secure funds for increasing production and export," Avramovic said in answer to a question regarding the foreign trade balance.

[Box, p 2]

The FRY's Crazy Proposal

The Federal Government's proposal, namely, that if the FRY is granted continuity, then it will pay back the entire Socialist Federal Republic of Yugoslavia's [SFRY] debt—which amounts to $16 billion—is totally unrealistic because we do not have the money, Dr. Avramovic said. "It is totally crazy, as if they had lost their minds. I asked them whether the people had given them the authority to do this and what sort of silly idea is this anyway?"

This is one of the main reasons why I did not agree to the Federal Government's platform. We would be lucky to later get 30 percent from Croatia, Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], and others, Avramovic said.

Serbia

Serbia: Bomb Explodes Outside Belgrade Mosque

LD1604101396 Belgrade TANJUG Domestic Service in Serbo-Croatian 0930 GMT 16 Apr 96

[FBIS Translated Text] Belgrade, 16 Apr (TANJUG)—An explosion that occurred last night outside the Bajrakli mosque on Gospodar Jevremova street in Belgrade damaged the building's facade and smashed the windows in the courtyard, the information service of the Belgrade Internal Affairs Secretariat announced today. Also damaged were three cars parked nearby, but nobody was hurt.

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The blast was caused by an explosive device activated on the sidewalk outside the mosque at around 2355 [2155 GMT] last night.

The statement said that a thorough investigation is under way.

Serbia: SPO Opposes New JUL Television

AU1604093396 Belgrade NASA BORBA in Serbo-Croatian 12 Apr 96 p 20

[Article by M. Petrovic: "On What Grounds Does JUL Claim Right of EUTEL?"]

[FBIS Translated Text] Belgrade—The Serbian Renewal Movement [SPO] most harshly opposes the foundation of JUL [Yugoslav Left] television and calls on the citizens of Serbia and all democratic forces in the country to oppose its work in all possible ways, SPO spokesman Ivan Kovacevic told NASA BORBA on the occasion of the founding of the new television station, which will be located in the cellar of the Museum of the Revolution.

Instead of being concerned about U.S. Congress Resolution 374 which condemns the strangling of the freedom of press in Serbia, the regime has been tightening the pressure around the democratic opposition parties ever more and not allowing a single word or activity critical of the Serbian authorities to get through the media, Kovacevic pointed out and added the following:

"It is also not explained what money is meant to be used for satellite television with whose help the Communists, as they say, will 'spread the spirit of tolerance' through the entire Europe." It is known, though, that several years ago the EUTEL satellite slot was rented for several years by the JUTEL television, which was abolished shortly afterwards. Kovacevic asked: "Who appropriated the money for renting the satellite and on what basis does JUL claim the right to rent that same satellite slot today?"

"Those people who have stolen state and social property and continue to do so today want to use that money to promote their cellar-based tolerance, which, however, shows no understanding for unpaid wages, pensions, and other social benefits, although a single day of satellite rent would be enough," Kovacevic concluded.

Montenegro

Montenegro: Djukanovic on FRY, Previaka, JUL

AU1504154596 Bad Vilbel VESTI in Serbo-Croatian 9 Apr 96 p 19

[Unattributed interview with Montenegrin Prime Minister Milo Djukanovic in Podgorica; date not given: "Milosevic Rules Only Serbia"—originally published by SRPSKA REC]

[FBIS Translated Excerpt] The interview for SRPSKA REC with Milo Djukanovic took place in his cabinet office in the new government building in Podgorica, which the inhabitants of Montenegrin capital call "the two suitcases," obviously alluding to its architecture. Polite, balanced, and very elegant, the 36-year-old Djukanovic governs Montenegro from a very small office (in relation to the building) that is furnished in leather.

[SRPSKA REC] This is your first interview for a domestic opposition paper. Would you explain the change in your attitude?

[Djukanovic] It is true that until now I have not talked with certain journalists from opposition papers. It has to be admitted that the range of opposition and independent papers in Yugoslavia is not especially broad and rich. The invitation to an interview for the Montenegrin weekly MONITOR was the first serious offer of the kind. The time I have spent in the focus of political events in the country—which, according to its dramatic character, makes up an entire small history—has helped me become more mature, more tolerant, and more open for communication not only with people who hold a different political opinion but also with those who attack and criticize the ruling power without proper measure and taste. Although this might cause anger and hostility, I think that all of us are obliged, especially ruling politicians, not only to accept but also to initiate intense communication between the representatives of various political factions and to talk with opposition mass media, all with the goal of achieving a high level of democracy in this country. [passage omitted]

Trust in Federation

[SRPSKA REC] You are also the most fervent critic of the federal state. Its assembly practically does not convene sessions, and the government has no authority. Why is that so?

[Djukanovic] The situation in the federal state is not satisfying first of all because its institutions do not perform their functions according to the Constitution of the Federal Republic of Yugoslavia. The reasons are—as I have already mentioned—both objective and subjective. Objective since mistrust developed toward federal institutions during the process of disintegration of the former joint state; it was not only a characteristic of those who left Yugoslavia, but also of us. Consequently, there are doubts and reservations when, according to the Constitution of the FRY, powers have to be transferred from the

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republican to the federal level. I would also like to mention that federal institutions should have a higher degree of entrepreneurship, authority, and efficiency when taking on and performing their constitutional duties.

[SRPSKA REC] It is generally considered both in Yugoslavia and abroad that Slobodan Milosevic practically rules Serbia and Montenegro although he is only the president of one of the federation members. What do you think about it?

[Djukanovic] I do not agree with that thesis. It is true that Slobodan Milosevic rules Serbia and that Montenegro is ruled by its official bodies. There is one thing, however. During the disintegration of the former Yugoslavia, and especially during the time when Serbian-Croatian relations were especially strained, Slobodan Milosevic, as the undisputed leader of the Serbs, played a significant role in the foreign policy of Yugoslavia—the FRY was the state that protected all Serbs in the region. This did not correspond to the Constitution, but it was probably due to the needs of the time and its specific problems. In my opinion, this task could have also been performed much more actively and with more initiative by the Federal Government, which has these powers according to the Constitution.

[Box, p 19]

No Solution to Prevlaka Yet

[SRPSKA REC] Are you pleased with the solution to Prevlaka?

[Djukanovic] A final solution to Prevlaka has not been reached yet. It is obvious that Croatia is changing its mind on that issue. Knowing what the interests of the international community, led by the United States, are, and knowing that it is in our interest to normalize relations with the former Yugoslav republics, I am convinced that the Prevlaka issue cannot be postponed endlessly. It will not be possible to tolerate new opinions of the Croatian leadership, since it accepted certain solutions by signing the Dayton agreement.

[Box, p 19]

Constitution Will Not Be Changed

[SRPSKA REC] Rumors have it that a new constitution is being written somewhere in deep anonymity. The presidential system is allegedly being introduced in the country, which will make the position of Slobodan Milosevic more powerful and reduce the powers of the republics.

[Djukanovic] This is a completely different story. First of all, I should not support changes to the Constitution of the FRY under the present conditions and with this degree of political awareness. Primarily because I believe that the Constitution of the FRY is good and that it guarantees the equality of the republics and the development of the FRY on democratic principles. Apart from that, I consider the argument for making the constitutional changes you mentioned to be very unserious. A serious state does not adapt its Constitution to an individual or a president. The goal of a state like ours must be to make the constitutional order stronger. I do not want to say that changes to the Constitution might not become necessary after some time, but I am certain that Yugoslavia as a federal state can function on the basis of the existing constitutional order. If someone does not understand it and thinks that it is possible to strengthen the executive, the parliamentary, or the personal power with radical changes to the Constitution of Yugoslavia, he knows nothing about the nature of our federation and could put the existence of the joint state at stake with his irresponsible moves.

Apart from that, you probably know that the procedure to change the Constitution makes it necessary for the Montenegrin Assembly to vote for any changes twice. I see neither a reason for a change to the Yugoslav Constitution nor any objective chance of it.

JUL [Yugoslav United Left] Does Not Have Legitimacy

[SRPSKA REC] You are considered the main opponent to a breakthrough of the JUL in Montenegro. You had a minor conflict with Mrs. Mirjana Markovic on this issue.

[Djukanovic] It is against my democratic attitudes to oppose any political idea in Montenegro. I have enough political and democratic "fitness" to talk with everyone who holds a different opinion, including movements or political parties such as the Yugoslav United Left.

Owing to "someone's" benevolence, but without real political legitimacy, JUL has practically occupied the Yugoslav information system and important political and diplomatic positions. I only want to respect the rules of political legitimacy. JUL is a movement or a party, whichever you prefer, that did not participate as a single entity in the last elections, in which its seperate political parts suffered a defeat. In any case, they are entitled to prepare for the next elections, but with the level of publicity that corresponds to their marginal political value.

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Kosovo

Kosovo: Leaders Claim Right To Inherit IMF Membership

AU1604103796 Pristina KOSOVA DAILY REPORT in English 12 Apr 96

["Kosova Is Eligible to Its Share in IMF Membership of the Former Yugoslavia"—KOSOVA DAILY REPORT headline]

[FBIS Transcribed Text] The preliminary discussions a delegation of the self-styled Yugoslavia (Serbia and Montenegro) had from 27 March to 3 April in Paris with international financial institutions, led by the International Monetary Fund (IMF), has become a hot issue in Serbia.

The Paris talks have raised concerns in Kosova, too, assuredly for quite other reasons.

Since the break-up of the former Yugoslavia (the Socialist Federal Republic of Yugoslavia—SFRY) in 1991, Serbia and its satellite Montenegro, self-proclaimed as Yugoslavia, have insisted they are the sole successors of the defunct SFRY. Behind the claim were political but also economic reasons: while having waged an aggressive war and destroying the SFRY in an effort to create a "Greater Serbia," Slobodan Milosevic wanted an easy way to keep the position of his government and country intact on the international community. The other republics ("secessionists") have illegally departed, but "Yugoslavia" (now reduced in Serbia and Montenegro, in tandem with occupied Kosova) exists, Milosevic kept arguing while using his notorious military (JNA) to crack down on all those not obeying his orders.

The European Union has made it clear in a statement earlier this week—what has been claimed since the 1992 Badinter Commission's paper on the breakup of the SFRY—that the Serb-Montenegrin Federation may be recognized only as one of the successor countries of the SFRY, besides Slovenia, Croatia, Bosnia, Macedonia...

That position was already taken by the International Monetary Fund in the years 1992 and 1993. This is made clear by statements (letters) of "Yugoslav" National Bank Governor Dragoslav Avramovic, carried in an extensive coverage on it in the Belgrade-based NASA BORBA daily on Thursday (11 April 1996).

The "Yugoslav" governor statements indicate that the IMF has adopted a bill which stipulated the right of the SFRY federal units to inherit membership in the IMF and other international financial organization, a proceeding which has reportedly been pursued when other states emerging from the SFRY joined those institutions.

Kosova was one of the eight units of the now defunct SFRY. It declared its independence in 1990, confirmed in a national referendum in 1991. But Kosova has been under Serbian occupation for a half a dozen years now. The question people here in Kosova ask is: what will the IMF's position with regard to Kosova be? Will it recognize Serbian rule over Kosova as a fait accompli and thus open the way for Serbia to profit from international institutions?

Being one of the eight equitable units of the SFRY, Kosova was in fact an associate member of the IMF and other international organizations, the Kosova leadership has kept arguing. Therefore, Kosova, too, like Slovenia, Croatia, Serbia, etc., has the right to inherit its membership right to the IMF.

Last but not least, the internationally-sponsored Dayton accords (reached in Dayton, Ohio, late in November 1995) had adopted a range of provisions, including a so-called "outer wall" of sanctions on Serbia, which would bar Serbia and Montenegro from reintegrating in the international community until "Serbia addresses a number of other areas of concern, including Kosovo and cooperation with the War Crimes Tribunal." The phrase, "outer wall" of sanctions on Serbia, has come to mean that Belgrade cannot expect reintegration in UN, OSCE [Organization for Security and Cooperation in Europe], International Monetary Fund, the World Bank, etc.

The international community's credibility is at stake now, when possibilities of readmitting Belgrade in the IMF are being considered. The "outer wall" of sanctions, if it is indeed there to stay, debars Serbia from joining the IMF unless and until the Kosova issue has been addressed. The Kosova Government has made it clear, and informed the IMF itself, it is willing to take on its share of obligations [arising from the SFRY's disintegration] to the international financial institutions.

Kosovo: Albanian Market Traders Strike Over Raised Taxes

AU1504122196

[FBIS Report] Pristina KOSOVA DAILY REPORT in English Nos 850 and 853 on 5 and 10 April and Tirana TVSh Television Network in Albanian at 1635 GMT on 11 April carry reports on a strike staged by Albanian vendors in Kosovo.

Pristina KOSOVA DAILY REPORT in English No 850 on 5 April reports that "over 800 Albanian vendors who sell their goods at the Prishtina fresh fruit market" have been "boycotting the market place since noon on 4 April." The report continues: "They stated that the

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reason for boycotting the market place was the high taxes imposed recently by Serbian-installed authorities" and "they decided that they would use the market place only after they abrogate the new taxes." Vendors say that "they used to pay approximately 300 dinars monthly for the use of the stands, but the new taxes are as high as 700 to 800 dinars. In addition, every time they take their goods into the market they are obliged to pay 6 percent of the total value of their goods, in opposition to regulations applied in other market places."

The report also says that "according to Albanian sellers, taxes imposed in Prishtina and throughout Kosova are much higher then in Serbia. In Belgrade, for instance, vendors pay 14 dinars to book the stand and 5 dinars of daily tax, in Subotica (Vojvodina), the booking costs 100 dinars, whereas the daily tax is 10 dinars."

Pristina KOSOVA DAILY REPORT in English No 853 on 10 April cites Mr. Naip Zeka, member of the Democratic League of Kosova (LDK) Presidency, to have told the Kosova Information Center that that "the LDK supports the requests of the Albanian vendors of the Prishtina fresh products market striking since last Thursday [4 April]. The taxes imposed on them by the Serbian regime are exceptionally high."

The LDK official goes on to say that "this Serbian regime's move is overtly discriminating against Albanians," adding that "it is a commonplace fact that the fees paid by the Serbs and Montenegrins are much smaller. Serb-installed authorities in Kosova consider the Prishtina marketplace as their own private property and have a monopolist approach towards it." Zeka concluded by noting that "Albanian vendors have been ordered to pay almost 800 dinars for a stand in the marketplace in Prishtina, amounting to a more than 120 percent increase in fee, at a time Serb vendors in Belgrade reportedly pay less than a hundred per month for a stand."

Referring to LDK sources, Pristina KOSOVA DAILY REPORT No 853 also reports that the Serbian police on 9 April "plundered again Albanian vendors coming from Albania." Reports also say that "the police plundered all the goods they were in possession of and raided on the homes of Bajram Idrizi and Feriz Idrizi under the pretext that they provided the Albanian vendors shelter for their goods."

In a telephone report carried by Tirana TVSh Television Network in Albanian at 1635 GMT on 11 April, Sherif Konjufca in Pristina reports that "the strike of the Albanian traders in Prishtina has started its second week."

Konjufca says that although the strike is in its second week, "the circumstances that stopped the market activity have remained unchanged. The violent authorities have not given up the excessive and quite arbitrary tax increases on market stalls." On the other hand, "having no chance of making a profit with such taxes, which are 10 times higher than those imposed on traders in Serbia, the Albanian traders are rightly protesting this discrimination and insisting that the taxes be reduced."

The correspondent goes on to say that "the majority of traders who did not work because of the strike have received summonses to appear in court. Meanwhile, the majority have been fined 800 dinars or DM250 and have been ordered to close down their stalls." He also says that "this strike, which is the largest in Kosova since the famous strike of 3 September 1990, enjoys the moral backing of the people."

Focusing on the reaction of the political parties to the strike, the RTSh report stresses that "the political subjects in Kosova have shown restraint in commenting on the strike, so as not to politicize it beyond the boundaries of the interests of the strikers and consumers."

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